Daily Report

East Europe

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FBIS-EEU-95-066 *6 April 1995*

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UN: Helicopters Violating B-H, FRY Borders

AU0604072295 Paris AFP in English 2251 GMT 5 Apr 95

[FBIS Transcribed Text] Belgrade, April 6 (AFP)—Serbia is honoring a pledge to seal its border with Bosnia to put pressure on Serb secessionists there, but the airspace above the frontier has been repeatedly violated, the United Nations has found.

The head of an international mission monitoring the border made the assessment in a report submitted to the chairmen of the international conference on former Yugoslavia, Lord Owen and Thorvald Stoltenberg, and passed on to the UN Security Council.

A copy of the document was obtained Wednesday by the AFP.

Under pressure to join international efforts to end the war in Bosnia, the Belgrade government said last August that it was closing its border to all but shipments of humanitarian aid in an effort to force the Bosnian Serbs to accept an international peace plan.

Belgrade had been the main military backer of the Bosnian Serbs.

The 550-kilometer (340-mile) border and its 19 crossing points are now monitored 24 hours a day by a 163-strong international mission.

The head of the mission, Tauno Nieminen of Finland, said in the report that "the government of the Federal Republic of Yugoslavia is continuing to meet its commitment to close the land border."

But he added that the airspace above it has been violated, with UN observers detecting 26 helicopter flights from Bosnia to what remains of federal Yugoslavia—Serbia and Montenegro—last month.

The flights are "perplexing" because, at the same time, Belgrade has sought to enhance its closure of the border, Nieminen said.

On the ground, he said, UN observers have been given complete freedom of movement but the mission has not been free of incidents.

On March 13, two busloads of unarmed but uniformed soldiers were allowed to cross into Bosnia. The UN mission protested, the Belgrade government promised to take action, and no similar incidents have been reported since.

As a reward for closing the border, the United Nations in September eased sanctions that had been imposed against Belgrade for its earlier support for the Serbs.

For 100 days, Yugoslavia was allowed to take part in international cultural and sporting events, and air and sea links were restored. The easing of the sanctions was extended for another 100 days in January.

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Former Agents Said Behind U.S. Embassy Incident

AU0504172595 Tirana RILINDJA DEMOKRATIKE in Albanian 28 Mar 95 pp 1-2

[Commentary by A. Dibra: "The Event at the U.S. Embassy, a Deed by the Former State Security"]

[FBIS Translated Text] Last weekend marked an aggressive act perpetrated by a group of people and individual persons against the U.S. Embassy in Tirana. Their objective was to enter by force the territory of this embassy and emigrate to the United States, something that runs counter to this embassy's practice.

The U.S. Embassy in Tirana has already expressed its legitimate concern about this disorder.

According to press reports confirmed by the U.S. Embassy, this incident occurred as a result of the circulation of a false report saying that "The U.S. Embassy will open its doors to anybody who is seeking asylum in the United States."

Considering the way this phenomenon escalated in the vicinity of the U.S. Embassy compound, along with the tenacity of the mob of individuals until the early hours of Monday [27 March] as well as certain slogans chanted that night, quite naturally the following question arises: "Did all this stem from a common, simple error by individuals, or was it a premediated act aimed at provoking incidents and confrontation between the citizens deceived by this 'gossip' and the forces of law and order?"

The way this event gathered momentum and the increasing tenacity manifested by a "bunch" of people for three days in a row in spite of the fact that the embassy personnel stated that the U.S. Embassy could not grant them asylum shows that this entire affair was the work of former State Security agents, who are implementing scenarios of fueling tension so as to destabilize the political situation. They are resorting to every possible criminal scenario, like they did in 1991 on the eve of the overthrow of the dictatorial communist regime of the red caste.

The principle aim of these Sigurimi [Security] agents, blood-thirsty vampires who are nostalgic for the dictatorship, continues to be the realizing of their dream of coming back to power, not by democratic means but through violence and psychological and physical terror. That is why they are striving to provoke incidents between the citizens and the juridical state.

The suspicion—also—that the attempt to strain the situation and provoke incidents with, precisely, the U.S. Embassy was not accidental, can be easily explained, bearing in mind the U.S.'s huge role and contribution to the consolidation of the democratic Albanian state.

The failure of the attempts by the former Sigurimi agents, which constitutes an escalation of crime, is yet another lesson that they have to learn. They have to understand that this is not the year 1991, when one could easily play the emigration card and lead the people to meaningless and dangerous adventures. Today, the people are conscious that lawful ways have been opened for them to move around the world, and they have no need to look for adventures and, what's worse, fall prey to criminal gossip disseminated by those who wish to come to power through any means.

Berisha Inaugurates College of Defense in Tirana

AU0504143095

[FBIS Editorial Report] Tirana TVSH Television Network in Albanian in its regular 1800 GMT newscast on 4 April carries a report on the inaugural ceremony of the College of Defense in Tirana, including recorded statements by President Berisha in his capacity as chairman of the Council of Defense. The inauguration was held at the Ground Forces Academy and was attended by Defense Minister Zhulali and Brigadier General Ali Koceku, as well as by heads of diplomatic missions, military attaches, and NATO Deputy Secretary General (Anthony Cragg), currently on a visit to Albania.

Berisha commented that the inauguration of the College of Defense was a result of "the great efforts that the Albanian Army has made over the past three years to transform itself from one of the most isolated institutions that has ever existed into an open institution with powerful ties to the armies of friendly countries, thus influencing and greatly assisting the country's defense and security."

Berisha announced that the inauguration coincides with the Council of Defense's examination of Albanian security and defense policy, which will soon result in "a fundamental document" that "confirms Albania's desire and will to resolve conflict through dialogue, without using military force, as well as its determination to preserve peace and a spirit of understanding and cooperation with neighboring countries."

Berisha stated that Albanian policy "derives from the nation's security not being based on confrontation, isolation, or rivalry to the detriment of the security of other countries. The Republic of Albania has no predetermined image of an enemy. Any states whose political policies do not conflict with Albania's are considered partners. That is why we aim to preserve stability in the Balkans, particularly in Albania's border regions, and to develop our armed forces in conformity with our political aims and economic potential, as well as fully respect international obligations."

In conclusion, Berisha expressed the hope that the College of Defense would serve as an institution from which new Balkan cooperation initiatives might arise.

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Berisha, Pakistan's Ali on Cooperation, Kosovo

AU0504201495 Tirana TVSH Television Network in Albanian 1800 GMT 4 Apr 95

[FBIS Translated Text] Sali Berisha, president of the Republic of Albania, today received Pakistani Foreign Minister Sardar Asif Ahmad Ali.

I am pleased with the friendly development of relations between our two countries, President Berisha said. I would like to thank Pakistani President Leghari and Prime Minister Bhutto for the noble and friendly aid given to Albania, Berisha said. I am convinced that your visit is a special contribution to strengthening our friendly ties of cooperation, Berisha told the Pakistani foreign minister.

Foreign Minister Ali told Berisha he conveyedPresident Leghari and Prime Minister Bhutto's best wishes, and said: They assess highly Albania's achievements along the road of reforms and would like to strengthen friendship and cooperation with your country. We are ready to extend our cooperation in many fields, such as the economic, technical, management, and business fields, and offer our experience in privatization, the railway network, and scholarships for qualification courses in diplomacy, the banking system, etc., the Pakistani minister said.

Developments in our region were another topic of the conversation. President Berisha and Foreign Minister Ali expressed their concern over the extremely tense situation in the region.

President Berisha expressed his gratitude for Pakistan's support on the Kosova issue and said that the demand on the Serbs to make concessions in the north in compensation for the concessions made to them in the south not only does not resolve but also complicates the crisis in the region. It is necessary that the Kosova problem, as the most delicate one, be put on the negotiating table.

Berisha asked Ali to convey to President Leghari and Prime Minister Bhutto his cordial greetings, as well as an invitation to visit Albania.

For his part, the Pakistani minister reiterated to President Berisha the invitation to visit Pakistan as soon as possible.

The Pakistani foreign minister concluded his visit and departed from our country today.

Assembly Endorses 1995 State Budget Draft

AU0504152595 Tirana TVSH Television Network in Albanian 1800 GMT 4 Apr 95

[FBIS Translated Excerpt] At a plenary session this morning, the People's Assembly endorsed the 1995 draft state budget. Seventy-five deputies voted in favor, 13 against, and 2 abstained.

One of the government's main goals this year is to implement through securities a mass privatization program that will accelerate privatization in the agricultural sector, as well as in services and communication, thus aiming at a speedy privatization of approximately 600 medium and large enterprises.

Priority will be given to creating new jobs, balancing domestic incomes with an investment program, balancing the increase of real incomes with inflation, and creating greater credibility in international institutions and domestic and foreign investors. [passage omitted]

Mass Privatization To Start 1 Jul

AU0604091695 Tirana LAJMI DITES in Albanian 28 Mar 95 pp 1-2

[Article by "A. Gj.": "By 30 July 1995 All Albanians Will Have Privatization Bonds"]

[FBIS Translated Text] The deadline for distribution of the privatization bonds will be 30 July, according to the latest decision of the Albanian Government.

The savings banks will start distributing the bonds on 1 July, and all registered individuals should have them within two months. Registration will be carried out from 1 to 30 May. The social insurance departments, district councils, registry offices, National Privatization Office, and Ministry of Agriculture and Food have been tasked with compiling the lists.

The data collected by these offices will be sent to the Financial Information Office. The finance ministry, in conjunction with the Bank of Albania, will prepare detailed instructions on how to carry out the process of registering, collecting and checking the lists made all over the country, until the point when the lists are handed over to the Savings Bank. The government's decision provides important and detailed information regarding the persons elegible to obtain the bonds and the persons who will not benefit from them. The National Privatization Agency has compiled lists of those who have already benefited from the privatization of state units and enterprises, while other bodies have lists of those who have benefited from privatization of the agricultural enterprises, and of those living in the countryside who were not employed in the agricultural cooperatives or state farms. The government has classified the categories of persons who will benefit from the bonds on the basis of age.

The value of privatization bonds for the complete process of mass privatization according to age groups will be as follows:

a) citizens aged 18 to 35: 50,000 privatization leks

b) citizens aged 36 to 55: 100,000 privatization leks

c) citizens aged 56 and over: 100,000 privatization leks

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In the first stage of privatization, the Bank of Albania will issue privatization bonds in the following denominations:

—600,000 privatization bonds in the value of 10,000 leks

—396,000 privatization bonds in the value of 15,000 leks

—204,000 privatization bonds in the value of 20,000 leks

The term is [word indistinct]. The bonds may be used to become a shareholder in the commercial companies created with the privatization of state enterprises, or in the investment agencies to buy specific parts of the assets of state enterprises that are privatized. The bonds may traded and are valid throughout the country. The appearance of the bonds has been decided. The front page bears the inscription Republic of Albania, State Privatization Bond, and Scanderbeg's portrait will be on it.

People who are not able to appear in person to collect their bonds—such as prisoners, soldiers, patients in mental hospitals, nationals residing abroad, or those not well enough to leave their homes—may obtain the bonds through their legally recognized caretakers.

Justice Ministry Says Court Resignations Illegal

AU0504172695 Tirana LAJMI I DITES in Albanian 1 Apr 95 p 1

[Article by S. Olldashi: "Reaction of the Ministry of Justice Following the Resignation of the Leaders of the Tirana Court"]

[FBIS Translated Text] "The resignation of the leaders of the Tirana Court is a hasty and unmotivated act not based on the law." This was the first reaction of the Ministry of Justice after the charges published in the press by Court Chairman Bendo and the two deputy chairmen, Celiku and Zeneli. A press announcement issued by the ministry says that "in the Law on the Main Constitutional Dispositions it is expressly pointed out that the Juridical Administration is responsible to the minister of justice." This is sufficient to consider unfounded the claims made in the declaration of the judges, according to whom appointments to the judicial organs are illegal and not a prerogative of the minister of justice. The basic constitutional law leaves no room whatsover for any equivocation and ambiquity. Appointments and dismissals of the administrative personnel of the courts is the prerogative of the minister of justice and no one else.

In this announcement is also defended the minister of justice's right to take [passage idistinct] for breaching the law. "The Ministry of Justice has in no case violated the independence of the judicial power," concludes the ministry's announcement given to the press. Sources at the Ministry of Justice report also that "the main concern of this ministry is the delay and [words indistinct] the juridical processes and various infringements of procedures and other breaches of an administrative nature by this court." The polemics between the leaders of the Tirana Court and the ministry of justice started after the publication in GAZETA SHQIPTARE of a statement by Agim Bendo, who has been chairman of the Tirana Court since 16 May 1992, and his deputies Artan Zeneli and Andi Celiku describing their resignation as "a sign of protest against the decisions of the minister of justice." According to them, those decisions were made after a meeting of the High Council of Justice, sacking two judges of the Tirana Court and appointing two new ones in their place.

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Zhirinovskiy Aides Sign Military Accord

AU0604113995 Sofia DUMA in Bulgarian 3 Apr 95 p 1

[Article by DUMA PRESS: "Vladimir Zhirinovskiy and Veselin Koshev Sign Military Agreement"]

[FBIS Translated Text] Supporters of Vladimir Zhirinovskiy and Veselin Koshev recently signed an agreement on military cooperation. The agreement is the result of talks "tete-a-tete" in Pazardzhik between noted functionaries of the two Liberal Democratic parties.

Aleksandr Kaptelkyn, chief of the Russian Liberal Democratic Party's Foreign Economic Department and personal adviser of Zhirinovskiy; Tatyana Pachernaya; and Vitaliy Bikhanov—all three are deputies of the Russian Liberal Democratic Party—were seen yesterday at the famous Pazardzhik restaurant "Balkanska Sreshta," where they had lunch wither with Asen Mirchev, Bulgarian Liberal Democratic Party Pazardzhik chief and a member of the national leadership.

According to informed sources, this is the first visit by the Russian guests to southern Bulgaria, at the invitation of Veselin Koshev, chairman of the Bulgarian Liberal Democratic Party. The Russians are travelling virtually incognito because no contacts with responsible representatives of the state institutions and parliamentary factions have taken place.

Concern About DPS Claims, Turkish Military

AU0604111695 Sofia DEMOKRATSIYA in Bulgarian 2 Apr 95 p 10

[Article by Nedko Petrov: "Are We Threatened by Our Neighbors' Military Doctrine?"]

[FBIS Translated Text] Unlike the defensive character of our military doctrine concept, which still has not been adopted, the concept of the Turkish General Staff regarding a national security "threat" is rather expanded to a dangerous degree. This is the opinion of our military experts. Our military doctrine proposes a variant according to which our Army should fight the "enemy" only within our national borders. On the other hand, in addition to an armed attack, Turkey also adds " political, economic, and social instability in the countries included in the sphere of the Turkish military strategy" to the factors that threaten its security. The Turkish offensive in northern Iraq demonstrates that the military doctrine of our southern neighbor has already been put into effect. The bilateral Bulgarian-Turkish military agreement and the tank batallions both countries withdrew from the regions of Edirne and Khaskovo in 1992 indicate that for the time being, relations are developing well.

However, one is puzzled by the Rights and Freedoms Movement [DPS] demand that the Turkish language be introduced as one of the official languages in the Army and that former former Bulgarian citizens who have emigrated to Turkey be recruited. All the claims that those demands would not create any problems if they are coordinated with the texts of the preliminary and concluding instructions of the Defense Law evoke more concern than puzzlement. In addition to all the dangerous consequences for our national security, don't those half-forgotten claims open the "door" of instability, about which the Turkish military doctrine should be "concerned"?

Gechev Meets Milojevic, Opposes Sanctions

LD0504203595 Belgrade TANJUG in English 1744 GMT 5 Apr 95

[FBIS Transcribed Text] Sofia, April 5 (TANJUG)—A Bulgarian official said in Sofia on Wednesday that Bulgaria and other Balkan states would insist on the lifting of the sanctions against Yugoslavia or compensation for their losses sustained through enforcing the sanctions.

Vice-Premier Rumen Gechev was speaking with President of the Yugoslav Chamber of Commerce Mihailo Milojevic, who is heading a Yugoslav delegation to three days of talks with Bulgarian businessmen.

Gechev and Milojevic discussed Yugoslav-Bulgarian cooperation in the production of agricultural implements and in the chemical, pharmaceutical and engineering industries for the duration of the U.N. sanctions, imposed in late May 1992, and after their lifting.

Milojevic told Bulgarian reporters that the sanctions against Yugoslavia would be lifted sooner if all Balkan countries, which had lost billions of dollars through their enforcement, demanded it.

He said that it was unrealistic on the part of the governments of some Balkan states to expect the international community or the United Nations to compensate them for their losses sustained through enforcing the sanctions.

Director of Bulgaria's Interpred company Ivailo Konstatinov told a news conference that Bulgarian businessmen were urging the government to demand the lifting of the sanctions, as their burden had become unbearable for Bulgaria.

Bulgarian Foreign Minister Georgi Pirinski was quoted on Wednesday as urging the lifting of the sanctions during a visit to Bonn.

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Two-Step Plan To Streamline Bankruptcy Procedure

95CH0192C Prague PRAGUE POST in English 7 Mar 95 p 5

[Articles by Dean Calbreath and Maggie Ledford Lawson: "A Two-Step Plan To Cure Bankruptcy's Ills"]

[FBIS Transcribed Text] Responding to long-running complaints about the sluggishness of the Czech bankruptcy system, the Ministry of Justice late last month produced a two-stage plan to clear away some of the system's most troublesome roadblocks.

The first stage, which ministry officials say could be enacted as soon as August, will involve amendments to the current bankruptcy law, which is based on laws enacted during the interwar First Republic.

Among other things, the proposed amendments would give more authority—and compensation—to bankruptcy trustees. The amendments also would clear away much of the cumbersome paper work involved in the bankruptcy process.

The second stage will be to rewrite the bankruptcy laws. The full revision is expected to take place by 1996 or 1997.

"We know that this is an extremely hot topic," said Cyril Svoboda, first deputy minister of justice. "We hope to have the changes done even sooner than the deadlines."

The Czech bankruptcy system faces a number of significant hurdles on the path to reform.

For one thing, the judiciary has little experience in bankruptcies, according to Pavel Janout, a judge for the regional commercial court in Prague.

Since there were virtually no bankruptcies while the state controlled companies, the judges who have been on the bench since those days have had little chance to develop the necessary expertise. Even judges appointed over the past five years have relatively little familiarity with complex bankruptcy procedures.

"Although very specialized financial skills are needed in this area, judges rarely are financial experts or even have a good knowledge of corporate finance," noted a recent report by the Center for Democracy and Free Enterprise, a Prague-based think tank.

In addition, the extremely high standards of proof required in bankruptcy cases have helped render the system virtually unworkable.

For instance, Czech law now states that 75 percent of all creditors must agree on the act of filing for bankruptcy. "This usually proves to be very inefficient, since it is difficult logistically to bring all the participants together," stated the Center for Democracy report. "It also prevents any rights to claims before proceedings start."

Further, the court must prove that the debtor is so far in the red that it's impossible to get back out, said Janout. Unless the debtor cooperates, which is unusual, that sort of proof is extremely hard to get. Debtors often disappear, Janout said. "They don't leave a forwarding address."

Finally, once a bankruptcy case is filed, court administrators take charge of the troubled enterprise. "This administrator position offers a very small salary and thus does not tend to draw in financial experts," according to the Center for Democracy report.

The Ministry of Justice's recent initiative, which was approved in draft form on Feb. 20, aims to correct many of these problems.

First, the Ministry proposes to streamline bankruptcy filing procedures, so that notifications regarding how a case is progressing can be placed in one central location instead of being mailed to all potential parties in the case.

Second, the ministry proposes lifting some of the burden for the bankruptcy proceedings from the backs of judges.

For instance, under current procedure, if creditors or other parties in a bankruptcy case fail to provide the court with information regarding their claims, the judge is responsible for making sure that the information is filed.

Under the new measures, that responsibility will be with the parties involved in the case. If they fail to submit the appropriate information, they risk losing their standing in the case.

Third, the draft proposes to improve the status of the court-appointed trustees.

Among other things, the Ministry of Justice proposes recruiting administrators who are experts in the fields in which the bankrupt companies operate. An agricultural expert, for instance, would be put in charge of a bankrupt farm.

The ministry also is considering a proposal to give trustees the opportunity to share in the profits of the bankrupt company, providing an incentive for them to help turn the business around.

In the next four months, the ministry's proposal will be circulated among judges and attorneys, as well as other government ministries. The Ministry of Justice has a June 30 deadline for submitting a completed proposal to the government.

Ministry official Svoboda said that if the administration and parliament approve of the proposal, it could be passed as early as August.

But Svoboda added that, while the current bankruptcy law is in serious need of an overhaul it is "only one part of the mosaic of why the bankruptcy process has been so slow."

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Solving some of the other problems, including the reluctance of some creditors to bring insolvent companies into bankruptcy courts, will require new modes of thinking outside the halls of the Ministry of Justice.

Bankruptcy Statistics

	1993	1994
Limited liability companies	22	139
Private entrepreneurs	11	82
State-owned companies	11	26
Incorporated businesses	8	20
Agricultural cooperatives	4	11
Production & housing cooperatives	4	7
Public companies	0	3
Total	60	288

Source: Ministry of Justice

[Box, p 5]

Banks' Links to Troubled Firms Hinder the Process

Although the Czech Finance Ministry finally is trying to streamline bankruptcy procedures, a number of other impediments still slow the process.

For one thing, the Privatization Ministry and, to a lesser extent, the National Property Fund have a vested interest in making sure that Czech companies don't go bankrupt while they're going through the privatization process.

Their goal is to ensure that the companies are sold off to private investors first. Once that happens, whether the company goes bankrupt is up to the investors.

As a result, according to the Center for Democracy and Free Enterprise, the ministries encourage delays in potential bankruptcy proceedings and consequently undermine creditors' rights.

In addition, banks tend to slow down the process. Most of the Czech Republic's biggest enterprises are now controlled by a handful of banks, or investment funds that, in turn, are subsidiaries of banks.

Since the banks might directly or indirectly own substantial shares in companies that have borrowed money from them, they often believe that it is in their best interest to keep the companies afloat and making payments on their loans.

"Insiders, banks and companies are all too dependent on one another," according to the Center for Democracy report. "They are not operating in a free-flowing system."

The main problem is that if companies are artificially kept in business on the bank's life-support systems, other creditors might not be able to pursue their claims as fast as they would like.

But bankers defend their actions, saying they aim to reorganize companies so they can maintain a healthy cash-flow situation.

"It's often safer for a bank to assist a company instead of saying it has no future and letting it close down," said Milan Tomanek, a spokesman for Ceskoslovenska obchodni banka.

Finding a buyer for a company in bankruptcy is virtually impossible today, since would-be owners have no cash, Tomanek said. "There is a circle of reasons making it easier for a bank to find a solution by itself."

Circulation of Major Newspaper Declines Again

95CH0197B Prague PRAGUE POST in English 21 Mar 95 p 2

[Article by Jan Stojaspal: "After Emerging From Underground, 'Dissident' Paper Has Declined Steadily"]

[FBIS Transcribed Text] Jiri Hanak was purged in 1969 from his writing position at REPORTER, a widely read magazine. Unable to practice journalism, he spent the next 20 years as a manual worker, 15 of them as a warehouseman at the Kotva department store.

With the fall of communism in 1989, Hanak could write again. Like many of the dissidents and persecuted intellectuals of his generation, he gave his heart to the newspaper LIDOVE NOVINY, which appeared underground between 1987 and the revolution.

Two months ago, Hanak resigned from LIDOVE NOVINY amid a long-running, bitter dispute that has divided the staff and has already driven out most of Hanak's colleagues from former times.

"LIDOVE NOVINY was the last dissident enterprise that still functioned. Now there's nothing left of dissidents but a couple of chapters in history books," lamented Hanak. According to him, LIDOVE NOVINY has become a pro-government paper and lost its independence.

The newspaper today bears only a slight resemblance to the *samizdat* and early post-revolutionary publication with its strong intellectual and liberal orientation. It focuses heavily on business news and market analysis, and its political commentaries reflect the paper's conservative, mainstream guidelines.

Vaclav Klaus, the nation's right-leaning prime minister, contributes a weekly column.

The paper has also lightened its image, running parody articles from the "Wild Duck Agency" on its previously sober back page. A "wild duck," in journalism jargon, is a news story gone awry.

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According to Karel Kriz, deputy editor-in-chief of LIDOVE NOVINY, the paper's editorial team is trying to put out a modern paper with the goal of a daily circulation of 160,000 to 170,000 copies. Circulation has dipped below 100,000.

"It's a modern paper that no longer disdains news or confuses commentary with news," Kriz said. "LIDOVE NOVINY functions in a society with clearly defined economic rules, and it's absolutely absurd to divide ourselves into dissidents and nondissidents."

Kriz defined the paper as supporting the current system, with managers and their households as the target audience, but he said it is not a government organ.

According to Petr Pithart, who was on the editorial board of the underground LIDOVE NOVINY, it would mark the loss of a significant part of the national identity if the paper should definitely turn away from, or even against, intellectuals.

Statistics prove that turning away from the dissidents' past and being sold to a foreign power—Ringier, the Swiss media enterprise that owns 15 Czech publications—have failed to stop LIDOVE NOVINY's side. Its readership has been declining since the end of 1990. Ringier acquired a majority stake in LIDOVE NOVINY in late 1993.

The daily circulation peaked at 300,000 copies in June 1990. It was down to 108,066 copies in August of last year, and only 96,994 copies were sold daily in December, according to Aisa Media, a media-research agency.

The circulation of LODIVE NOVINY continued dropping last year despite a summer readers' contest that offered a house as the first prize. Neither did the July 1994 purchase of the 23,000-member subscriber list of LIDOVA DEMOKRACIE, a bankrupt daily, halt the slide.

According to Barbara Kopplova, head of the department of mass communication at Prague's Charles University, LIDOVE NOVINY keeps making the mistake of trying to pull in readers by bolstering its economic news, a field that is amply covered by other publications.

"It would be great if the paper complied with the fact that it is writing for 80,000 good and faithful readers and targeted those readers, but this hunt for 300,000 readers is nonsense," she said.

In a March 6 petition to Libor Sevcik, editor-in-chief of LIDOVE NOVINY, 44 employees—roughly one-third of the editorial staff—reiterated their criticisms of the paper's current approach.

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Prime Minister Addresses OSCE Forum in Vienna

LD0504155695 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 5 Apr 95

[FBIS Translated Text] During his one day visit at the Organization for Security and Cooperation in Europe [OSCE] and the UN bodies in Vienna, Slovak Foreign Minister Juraj Schenk addressed the 105th meeting of the OSCE forum this morning.

Minister Schenk described constitutional democracy, a socially oriented market economy, full observation of human rights and civil liberties including those concerning ethnic minorities, friendly relations with all democratic countries, and full integration in European and transatlantic political, security, and economic structures as the foundations of Slovak foreign policy.

Juraj Schenk added that Slovak officials regarded it as necessary and desirable to continue the foreign policy of the previous governments.

In his speech in Hofburg, Schenk also touched on the issue of ethnic minorities. He pointed out that inadequately managed ethnic problems could have an undesirable impact on international stability and security. At the same time, Schenk pointed out that responsibility in this area did not rest only with government, but also with the political representation of an ethnic minority.

Schenk also mentioned the conflict in the former Yugoslavia, suggesting to the Contact Group that it discuss with the hostile parties the excessive amount of guns in the area, which hindered the prospect of a lasting peace.

At the end of his speech at the OSCE forum in the Viennese Hofburg, Juraj Schenk mentioned concrete ways of Slovakia's participation in the OSCE's activities.

Meciar on Intelligence Service Activities

LD0604090595 Bratislava STV 1 Television Network in Slovak 1730 GMT 5 Apr 95

["Extract" of address by Prime Minister Vladimir Meciar in a parliamentary debate on the amended law on the Slovak Intelligence Service in Prague on 5 April—recorded]

[FBIS Translated Text] Even now, addressing you as prime minister, I am uncomfortable in the knowledge that only last week SIS [Slovak Intelligence Service] dismissed one of its officers because, after my appointment to the office of prime minister, he refused to spy on me. He was dismissed forthwith, just because he submitted a written refusal to carry out his duty. This took place in March 1995. I am the prime minister. I am the chairman of the State Defense Council, which has constitutional and legal powers over SIS, a body that should be supplying intelligence to me and the parliamentary speaker.

Because you wish to know the details, let me tell you that I have introduced the SIS officer who was given such a task to the prosecutor general of the Slovak Republic, whom I instructed to deal with the matter and with the person responsible for issuing the order to spy on the prime minister after his appointment.

If this were an isolated case, I would keep quiet. Another SIS officer was tasked with compromising Deputy Lexa, however, a [word indistinct] official, and the same happened to Deputy Danko. In Mr. Danko's case, a military department was instructed to scrutinize his activity in the National Defense Ministry in order to find compromising material. These people have testified to [word indistinct] bodies and are willing to testify to other bodies, too.

How was it possible that SIS Departmental Director Igor Cibula was congratulated by a foreign intelligence service officer on the Slovak Republic's best intelligence operation? By chance, naturally, Mr. Moravcik frequently used to meet Mr. Cibula at the time. There are records and other evidence proving this.

Let us go back and examine what happened before March 1994. On 31 or 30 January 1994 in Bardejov, the Slovak president acc[illegible]he then prime minister and the current prime minist[illegible] involvement in the activity of parallel intelligence st[illegible]uctures aimed at the president. [passage indistinct] This was to be carried out by Mr. Milan Zemko [then head of internal policy in the Slovak president's office], who was working against the office of Mr. Pittner, the minister of the interior. Mr. Zemko's reply to calls for an explanation was that his silence about these affairs was an imperative bestowed upon him by state interests of the highest order. Who, then, was playing a spy game with constitutional representatives?

But let us go on. SIS has paid attention not only to me but also to the parliament speaker. There is evidence that in the course of an official foreign trip, namely to Great Britain, an accredited SIS officer was gathering intelligence on the speaker and then made the material available, via SIS, to the president. The president then spoke about it in my presence. The SIS officer has been identified and recalled to Slovakia.

The least the president should do is distance himself from all this by saying he did not know anything about it. Or to claim that the intelligence material did not reach him. But, alas, it must be very hard for him to say that he did not know anything. So were they, perhaps, doing it for someone else? These things must be clearly explained. What should be said is, yes, indeed, this is what was going on.

Intelligence [word indistinct] used to take place before. There are documents from 1992, when the head of the Federal Security Information Service [FSIS] issued a directive ordering the liquidation of evidence concerning the organization's activity in Slovakia. The FSIS

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head at the time was [name indistinct], and his deputy was Mr. Palko from the Christian Democratic Movement [KDH]. During the 1992 election campaign, FSIS agents in Slovakia were providing information on our party and spying on our party. I do not wish to blame the KDH as a whole, but it is a fact that some of these FSIS agents were close to KDH personalities, and I do have to condemn that kind of activity. How was it possible? We did not do anything like that to anyone, and yet we were blamed for that sort of thing during the campaign; one deputy was even shouting all over the place that we had an intelligence service. Yet we did not have one. We were not involved in dirty tricks like that.

Esteemed gentlemen, esteemed ladies, esteemed deputies. I stand by every single word I have said. Everything I have told you can be substantiated. I have not collected the various conversations and documents for [?my office] single-handedly; a great deal has been done by other, properly authorized bodies. The point now is: Who is going to put right the deformations afflicting SIS? Is the president up to it? After all, he claims that the service is accountable to him. Why, then, has he not done it already? The only way to do it is do it together. Therefore, I believe that, apart from dealing with speculations and fabrications regarding the legislative and practical aspects of things, we must make sure that we do not live in fear of a new and alienated force. I believe that these bodies should be under the control of the state, the parliament, and the Government of the Slovak Republic.

[Bratislava Rozhlasova Stanica Slovensko Network in Slovak at 1630 GMT on 5 April carries the following recording of Meciar's remarks in the same address: "Does the parliament have the power to call the president to task? I think that either it does not have such power or that it does not use it. Those of you who are in the opposition, do you have the power to take the government to task? Yes, you have. I think it is only proper that this cleanup should be carried out jointly by the parliament and the government. There is no point in mentioning certain other facts, above all because the president says—and I quote from point 3 on page 2—that the task of gathering both domestic and foreign intelligence on activities threatening the sovereignty and security of the Slovak Republic is being carried out by SIS, which works directly for the president. Let me presume that by assuming such a right the president is assuming also the responsibility that goes with it. Does it not then follow that he is responsible for the current state of SIS? This is a simple equation; the one cannot exist without the other."]

Meciar Affirms Objections to Euroregion Project

AU0504150195 Bratislava SME in Slovak 3 Apr 95 p 2

[Article by "pl": "Vladimir Meciar Offered an Alternative to Euroregions"]

[FBIS Translated Text] Strbske Pleso—Even though the issue of Euroregions was discussed during the Slovak Government's talks with the Association of Towns and Villages of Slovakia in Strbske Pleso on Friday, 31 March, even this time no positive signals came from Prime Minister Vladimir Meciar. Giving reasons for his negative attitude, he said that, first, no jurisdiction to engage in foreign political activities of any kind has been transferred to towns and communities. Second, Slovakia has not yet signed the Charter of European Regions. Third, the Euroregion programs are concluded by governments, not by communities and towns. And, fourth, each Euroregion carries within itself questions, the solution to which goes beyond towns' and communities' powers. As Vladimir Meciar went on to say, it is not possible for us to adopt a system whereby there would be the Carpathian Euroregion in the east, the Tatras, Silesia, Kysuce, and Moravia Euroregions in the north, and the Bratislava-Vienna-Gyor Euroregion in the south, plus cross-border cooperation along the entire southern border. This would be an uncoordinated movement, and towns and communities do not even have the instruments to assume such commitments. Vladimir Meciar said that he could imagine much better programs for east Slovakia than the Carpathian Euroregion project. "When I discussed this with the representative of the [New York-based] Institute for East-West Studies, it found out that east Slovakia would gain from the implementation of the Carpathian Euroregion, but its projects are dead [sentence as published]. East Slovakia cannot be the only one to profit." The prime minister offered as an alternative duty-free zones that could be set up in the border districts of east Slovakia and in a part of Kosice, as well as the establishment of an industrial zone that could be funded from various sources and institutions. "Whereas in the case of the Carpathian Euroregion we invest resources, this second alternative would bring resources to our territory. When suitable conditions are established, money will be flowing in rather than out," he said in concluding.

SDL Assesses 100 Days of Meciar Government

AU0504154095 Bratislava PRAVDA in Slovak 3 Apr 95 p 2

[Article by Martin Krno: "Privatization Without Parliamentary Control; SDL Executive Committee Evaluated First 100 Days of Present Government"]

[FBIS Translated Text] Bratislava—At its meeting on 1 April, the Party of the Democratic Left [SDL] Executive Committee adopted a statement on the domestic political situation, in which it rejected, among other things, the methods of governing by the Movement for a Democratic Slovakia-Slovak National Party-Association of Workers of Slovakia [HZDS-SNS-ZRS] coalition in the first 100 days since taking over power.

The statement describes the period of the new government as one characterized by "tough strengthening of political and economic power, strengthening of the prime minister's personal power, and continuous violation of policy principles and preelection promises concerning economic development and social guarantees."

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The Executive Committee criticized the unprecedented scale of personnel changes not only in the state administration but also in institutions where expertise should be the main criterion in filling posts. It noted that the privatization process is being steered in party secretariats, instead of being controlled by parliament. The public is not being openly informed about procedures applied in the sale of state property, which is being used to reward political supporters of the ruling coalition. Furthermore, the SDL Executive Committee positively evaluated the signing of the basic treaty between Slovakia and Hungary but noted that a significant role on the path toward this international agreement was played by the solution of Hungarian minority rights by the National Council of the Slovak Republic during the preceding electoral term, when SNS and HZDS deputies and also Vladimir Meciar personally vehemently opposed the approved laws. Replying to a question from PRAVDA at a briefing held after the SDL Executive Committee meeting, SDL Deputy Chairman Pavol Kanis said that the founding of a left-wing Hungarian party in Slovakia will make sense only if this new political entity manages to cross the 5-percent threshold necessary to get into parliament. The formation of a shadow cabinet and the possible participation of Social Democratic Party of Slovakia experts in it is to be assessed by the SDL Executive Committee at its meeting on 7 April. Regarding relations with the ZRS, Pavol Kanis confirmed that Jan Luptak had not invited anyone from the SDL leadership to his association's assembly.

[Bratislava SME in Slovak on 3 April on page 1 carries a 300 word interview with SDL Deputy Chairman Pavol Kanis by Juraj Hrabko entitled "Slovak-Slovak Problem." In the interview, which was conducted after the SDL Executive Committee meeting, Kanis is asked about his party's position on the recently signed Slovak-Hungarian treaty. According to Kanis, the incorporation of Council of Europe Recommendation 1201 into the treaty "will become a source of complications" between Slovakia and Hungary, and he personally regards the inclusion of this provision as a "mistake." The SDL deputy chairman says: "In my opinion, it would have been possible to sign the treaty even without including this recommendation. International treaties or passages thereof, the meaning of which is not unequivocal, become sources of conflicts. It has become apparent that the two sides' views on what has been described as a success and compromise differ significantly."]

Poll Shows HZDS 14% Ahead of Nearest Rival

AU0504122595 Bratislava SMENA in Slovak 3 Apr 95 p 1

[Article by "b": "Movement for a Democratic Slovakia Leads in Preferences"]

[FBIS Translated Text] Bratislava—The Focus Center for Social and Marketing Analysis agency carried out a representative public opinion poll in late March. The pollsters collected data between 21 and 27 March 1995, and the sample, which was representative in terms of sex, age, level of education, size of community of residence, region, and nationality, consisted of 830 respondents. The results of the poll are provided in the table below. They illustrates the percentile distribution of answers to the question: "Imagine that parliamentary elections were to be held this weekend. Which party or movement would you vote for?" As many as 26 percent of respondents replied, "I do not know" or "I would not vote." The other respondents distributed their preferences as follows:

	Percent
Movement for a Democratic Slovakia	26.4
Democratic Union [DU]	12.9
Christian Democratic Movement	10.1
Party of the Democratic Left	7.7
Association of Workers of Slovakia	6.7
Slovak National Party	5.9
Coexistence	4.6
Hungarian Christian Democratic Movement	3.4
Democratic Party	3.4
New Slovakia	2.4
Communist Party of Slovakia	2.3
Party of Entrepreneurs and Tradesmen	2.3
Green Party	2.3
Party Against Corruption	2.1
Social Democratic Party of Slovakia	2.0
Hungarian Civic Party	1.8
Christian Social Union	0.7
Other parties/movements	3.1

[Bratislava PRAVDA in Slovak on 4 April on page 5 publishes two bar charts on the results of the above Focus agency poll, one of which illustrates respondents' replies to the question whether deputies for the DU, whose legitimate participation in the elections is being contested by government coalition parties, should be expelled from parliament. According to the chart, 8 percent of respondents replied "definitely yes," 8 percent "probably yes," 22 percent "probably no," and 37 percent "definitely no"; 25 percent were "unable to judge."]

Comment: Kovac Threatens Parliamentary Democracy

AU0504113395 Bratislava SLOVENSKA REPUBLIKA in Slovak 3 Apr 95 p 3

[Commentary by Eva Zelenayova, Movement for a Democratic Slovakia deputy: "We Have the Constitutional Court, Do We Not?"]

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[FBIS Translated Text] The president of the Slovak Republic seems to have resorted to a new form of governing. Parliamentary democracy in Slovakia is threatened by the president's practice of returning laws passed by National Council of the Slovak Republic [NRSR] deputies to parliament. Why? Because, in the final analysis, laws and other important NRSR resolutions that go against the president's grain are decided upon by the Constitutional Court of the Slovak Republic, not by elected representatives of the people as laid down in the Slovak Constitution, but by a group of 10 judges appointed by the president. The 1 April issue of PRAVDA indicated with whom they side: "If the law returned by the president passes through parliament unaltered, the Constitutional Court of the Slovak Republic will probably be given work. Incidentally, so far the Legal Affairs Section of the Office of the President has not lost a single case on which the Constitutional Court has ruled...." Interesting, especially when one realizes how very easy it is to stretch laws....

One of the laws the president returned to parliament for reconsideration following the last NRSR meeting is that on the stay of foreigners. Despite the fact that 125 deputies had voted in its favor, not one voted against, two abstained, and one did not participate in the vote, the president decided that the law would not pass in the proposed form. What aims does the Legal Affairs Section of the Office of the President pursue? Or is it someone else?

Coexistence Officer on Autonomy Issue for Minorities

AU0504202195 Budapest NEPSZABADSAG in Hungarian 5 Apr 95 p 3

[Interview with Jozsef Kvarda, deputy chairman of the Coexistence Movement in Slovkia, by Gyorgy Jozsef Farkas; place and date not given: "The Self-Government Strategy of Coexistence"]

[FBIS Translated Text] The decision adopted at the Dunaszerdahely congress of the Coexistence Movement held in March 1995 contains the following statement: "If the creation of the self-government system formulated in the draft constitution fails to materialize, we must urge the creation of the territorial autonomy of the ethnic national Hungarian community in Slovakia on the basis of the principles of self-government and self-determination." The Slovak media have been debating the decision ever since, mainly in critical tones. How does the Coexistence Movement itself interpret the much-debated autonomy issue? we asked Coexistence Deputy Chairman Jozsef Kvarda.

[Farkas] The expressions "autonomy" and "self-government" constantly appear one near the other and even one replacing the other. After all, to what extent does one concept cover the other?

[Kvarda] It is a fact that the autonomy appears as an almost pejorative concept in Slovak public opinion, which is quite unfortunate because this is actually equal to the concept of local self-government. One should know, however, that generally the leadership of local government bodies in the south Slovak villages had a Hungarian majority after the first free local government elections held in 1990. The concept according to which autonomous local bodies can be formed by ethnic minorities in places where they make up the majority of the population is based on this and on Proposal No. 1201 of the Council of Europe. However, in Slovakia today, local bodies include not only the elected self-government bodies but also the appointed village and district offices and public administration, although public opinion understands the word "local" only at the level of communities.

[Farkas] According to the current Slovak concept, even bigger territorial units should be created....

[Kvarda] That is true, namely from north to south, by taking into consideration the current district borders. Thus, the two remaining Hungarian-majority districts would also merge into a bigger administrative formation. As opposed to this, our proposal is based on the former small districts. If the government thinks in terms of bigger regions, we can envisage one of the territorial units similar to Burgenland [a district in Austria with a population of ethnic Hungarians], one that stretches along the border. The language border can be outlined with relative precision in our case, and this could be treated as a whole, or, if smaller units are counted, it could even be divided into three parts. The meeting of the mayors of south Slovakia held in Revkomarom in 1994 also supported this, and this concept also appears in our party's program.

[Farkas] The Slovak leadership regards precisely this concept as the first step aimed at separating this area and, therefore, it opposes it.

[Kvarda] Our answer to this is the following: They signed the basic treaty, which clearly states that the ethnic Hungarian minority in Slovakia is an integral part of this country. In other words, this document should actually dissipate the Slovak worries. For us, this could primarily mean that bilingualism in pubic administration can be implemented here without much trouble.

[Farkas] The Coexistence congress declared that it will demand territorial autonomy if the ethnic Hungarians living here fail to implement their self-government concepts.

[Kvarda] If our concepts of self-government and public administration reorganization, things we regard as the minimal condition for our survival, fail to materialize, then indeed we will have no choice but to raise the pole to the highest level possible. Our current demand regarding the administrative redistribution shows only one difference compared with the other territorial units, namely bilingualism. Autonomy, however, also makes it

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possible to have different administrative and other solutions, without exceeding the framework of Proposal No. 1201.

[Farkas] Yes, but, in the present situation, anything that refers to autonomy can count on strong reactions from the Slovak side, and not only in political or government circles. Was it expedient to drop this idea on the Slovak public a few days after the signing of the basic treaty and in the middle of tensions deriving from the interpretation of the treaty?

[Kvarda] In my view, the issue became topical precisely after the treaty because, after all this, the border problem can no longer emerge. Naturally, exercising pressure is a possible political means, but I would say that we have clearly formulated ideas only on self-government-territorial reform and no such ideas yet on autonomy. One who continues to see irredentist efforts behind our proposals after all this does not regard the basic treaty itself as a sufficiently reliable foundation for building relations between the the two countries and the two nations.

'Authoritarian Regime' Strengthening

LD0404143195 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1300 GMT 4 Apr 95

[FBIS Translated Text] At a news conference held by the Coexistence movement today, its Deputy Chairman Arpad Duka-Zolyomi said he is dissatisfied with the fact that Parliament Chairman Ivan Gasparovic neglected the activities of the political advisory body [politicke gremium] composed of the chairmen of deputies' clubs. According to Duka-Zolyomi, the political advisory body is thus a superfluous entity, and the right to make decisions has been fully appropriated by the government coalition in the legislative body as well.

According to Coexistence officials, the amendment to the law on state administration, schools, and school self-administration, which is to be debated by deputies at the parliamentary session opening tomorrow, is yet another example of the strengthening of the authoritarian regime in Slovakia. Therefore, the Coexistence deputies will not support this amendment.

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Editorial Criticizes U.S. Perceptions, Positions

AU0504163895 Budapest NEPSZABADSAG in Hungarian 5 Apr 95 p 3

[Editorial by Oszkar Fuzes: "Nyet and No"]

[FBIS Translated Text] Moscow's refusal might not be final after all, the White House spokesman keeps saying hopefully, hearing Moscow's "nyet" to everything. This might just be part of the preliminary bargaining and its rough edges can later be smoothed, at Yeltsin's and Clinton's meeting in May. Even if the only way to achieve this is by carefully weeding out all problems from the negotiations that might otherwise provoke debates—just as was done at the previous summit.

The fact that the United States considers Russia's special interests and Moscow's tough defense of these to be natural is not the actual problem. However, the hoped-for strategic partnership that is to operate along this line is based on the premise: There is no one better than Yeltsin at the moment, and at least some of the Russian ruling elite can be made interested in gradually turning the world's Number Two military power into a normal country. In the name of patience, Washington takes a deep breath, seeing the Russian submarines sold to Iran—but it does not keep silent about the nuclear reactors. It excuses the bloodshed in Chechnya but grumbles when Moscow puts pressure on Ukraine. The United States wants to draw a similar "limit" to Russia's role as a world power in connection with Iraq, the Balkans, the Middle East, and Asia, too.

The trouble starts when Moscow refuses to acknowledge this limit. By overstepping the limit, the Russians—You don't say!—want to make use of the fact that protecting the "freedom" of the Middle East oil fields; keeping—at least loosely—NATO together; and suppressing international arms trade and terrorism are in the vital interest of the United States. U.S. experts lament, in naive analyses, the confused world situation and the Russian "peculiarities," and even Kissinger's and Brzezinski's articles are full of ideas that lack concept.

That Washington's actual foreign policy is always linked to certain fashionable and high-sounding terms is an even bigger problem. From our point of view, "stability" is one of these. For example, treating alike aggressive chauvinism and the democratic struggle against it which wants to defend rights, they say: The Hungarian-Slovak and Hungarian-Romanian disputes have to be "settled." The former has been done, it can be checked out, but the latter might turn into a second Yugoslavia—they keep saying.

In accordance with this simplistic—to put it mildly—perception, Iliescu is a stabilizing force, and Washington says not a word when openly fascist, anti-Semitic, and anti-Hungarian parties contribute ministers to the Bucharest coalition. "There is no one better...." And if there isn't, then the "radical" demands of the Hungarian minorities can cause a "Yugoslavia"—the strange message says.

Generally, the Clinton government does not tend to get bogged down with issues of principle or human rights anyway, when this is what its foreign or domestic political interests demand.

Washington not having serious principles, strategies, or concepts, one should not be surprised that, although Moscow "does not get veto rights" over the NATO expansion, it can prevent this for a long time, change its direction, or make it dependent on something in which Hungary cannot at all have a say. From this—and only from this—point of view, it makes hardly any difference what kind of criteria we meet.

Moscow considers this issue to be a world political bargaining basis, including the Iranian nuclear deal and even the quota of traditional weapons in the range of NATO issues. From a Russian point of view, the German, French, and British search for medium-power positions is also a huge field of play, because this is where the futures of the old-new NATO, and especially South and East Europe, are decided.

The opposition of Moscow, London, and Paris is more than enough reason and excuse for Washington not to push for establishing a new system of European security, including the expansion of NATO. If it is slow, then, so what? All that is left for a Hungarian (Czech, Polish, or Slovak) "spokesman" is the hope that the "no" might not be final, either.

Prime Minister on Economic Stabilization Program

LD0504210795 Budapest Kossuth Radio Network in Hungarian 1630 GMT 5 Apr 95

[Speech by Prime Minister Gyula Horn to the plenary session of the Interest Coordination Council on 5 April—recorded]

[FBIS Translated Excerpt] [Announcer Andras Kerekes] The government refuses to show compliance over a single filler from the 170 billion forints it wants to save. However, it does not seem to be unyielding. At the plenary session of the Interest Coordination Council [ET], both the prime minister and the finance minister said that with respect to the pivotal figures [sarokszamok], they are ready to hold extensive talks on the details with the social partners.

In our program, first you will hear recordings from today's ET session. The only point on the agenda was a briefing and consultation on the package of measures that is to lay the foundation for the implementation of the economic stabilization program.

Prime Minister Gyula Horn gave a preagenda speech. First he said that economic processes had developed in the past months in a less favorable way than expected. Thus, they had had to act on 12 March—which was perhaps the last day to get in action.

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[Begin Horn recording] There is no other choice but to stabilize the financial and economic situation. The decisions we have made may be refined, but we cannot back off from either the pivotal figures, or the estimates, or the principles we have laid down.

I regret—and this partly a subjective remark—that over the past few weeks a number of allegations that we do not believe to be true were implanted into public opinion. It has become widely circulated that the government will take away or break up even the remaining existential security of people.

I want to stress that in connection with the 12 March package of measures, 30 different organizations and groupings—among them the ET's employee side—turned to us with various proposals and remarks. It is true, however, that among the 30 organizations and forums there were some that gave strong backing to the government's stabilization measures.

A certain distorted, not really authentic picture has emerged, however—and that is the reason for touching on this matter—about the government's measures and steps. It is simply not true that the government has sharply reduced the extent of social welfare allowances. Neither is it true that only poor and large families will get supplementary benefits. [passage omitted including indistinct portion]

I want to point out that during the formulation, elaboration, of the steps, this left-wing-liberal government took three basic principles into consideration too. I would like to draw the esteemed ET's attention to these, because they will have an effect in the forthcoming years as well. They are: guaranteeing a social minimum, shifting towards a broader shouldering of burdens, and shifting towards the establishment of equal opportunities.

We—the government and I—are of the view that society needs more patience, patience towards the situation, each other, and the government. I think that at least one or one and a half years are necessary for the effects of the measures we decided upon to become tangible, for the measures to achieve their goals.

What do I have in mind in concrete terms? First, I specifically think we have to make an examination and take further steps for the well-grounded continuance and support of economic growth. The government is open to every proposal that assists and promotes economic growth, in addition to what was decided upon on 12 March.

Second, as far as boosting privatization and its expected results are concerned, both from the viewpoint of the budget and management, it will take one or one and a half years after the elaboration and adoption of the privatization bills under preparation to speed up the process.

Third is the black economy. [passage omitted: no immediate results can be expected]

Fourth, the first basic material of the modernization program, whose core is a three-year economic policy program, will be prepared by the end of May. This material will also provide the basis for talks, for an exchange of views. This is the modernization program, including the three-year economic policy program, which we will create by the end of 1995, as we have agreed with the EU.

Sixth [number as heard] is the reform of state finances. [passage omitted] Finally, what really underlines the significance of this economic stabilization program is that without it we cannot reach agreement with international financial institutes.

I would like to add one more thing, ladies and gentlemen: If we fail to agree with international financial organizations, then we will not be able to conclude bilateral agreements with individual governments—first and foremost with the EU member states, or the United States, either. [passage omitted]

Apart from the six topics on which we propose continuous talks and coordination, I propose we reach agreement on a draft political statement that the government is ready to present to the Interest Coordination Council. This draft political statement will be aimed primarily at the creation of social peace, without which we cannot work out or implement programs. It will also contain mutual obligations that the sides will undertake, and of course a kind of self-restraint from all three sides.

If the employers' and the employees' sides agree, we are ready to present this draft political statement to you and to reach agreement on it.

I ask you respectfully to think it over. The government is ready for continuous dialogue and coordination. [end recording]

Finance Minister: Budget Deficit Untenable

LD0504214195 Budapest Kossuth Radio Network in Hungarian 1600 GMT 5 Apr 95

[FBIS Translated Excerpt] At the session of the Interest Coordination Council, Finance Minister Lajos Bokros said that the fact that the budget deficit reached 150 billion forints by the end of March is untenable. The envisaged figures have not materialized either on the side of the receipts or that of the expenditures. The finance minister believes they could not climb down by even 4 or 5 billion forints from the planned reduction of the deficit by 170 billion forints. Laszlo Gardai reports.

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[Gardai] Nothing has been decided upon. Everybody is hoping they will agree on the most important issues, and that there will be no strikes. Nevertheless, the agreement is not helped by the fact that Finance Minister Lajos Bokros would not make concessions. However, he said that if possible, he will incorporate every proposal he gets into the package.

Arguing for austerity, Bokros said the situation was serious and that immediate measures are needed. By the end of the year internal state debt may reach the nation's total annual GDP; thus everybody has to make sacrifices. The budget deficit has almost reached the amount envisaged for the whole year. [passage omitted]

Bokros insisted there is a way out: Overspending and inflation have to be reduced. He added, however, that he is not talking about overconsumption on the part of the population. The debate will continue in the Interest Coordination Council expert committees. For now, everybody has left the Finance Ministry building in a good mood. Everybody has hopes.

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Polish Diplomats To Visit U.S. Prisoners in Iraq

LD0604085795 Warsaw Polskie Radio First Program Network in Polish 0800 GMT 6 Apr 95

[FBIS Translated Text] Polish diplomats have obtained another permit to visit in a Baghdad prison the two Americans who a few weeks ago were sentenced to imprisonment for illegally crossing the Kuwaiti-Iraqi border. The Polish Embassy in Baghdad represents the interests of the United States in Iraq.

Earlier, the Iraqi authorities had rejected several Polish diplomats' pleas to be allowed to see the two Americans. The two Americans have both been sentenced to eight years' imprisonment.

DPRK Withdraws Ambassador From Warsaw

LD0504182295 Warsaw TV Polonia Network in Polish 1730 GMT 5 Apr 95

[Relayed by TV Polonia Network]

[FBIS Translated Text] North Korea has decided to recall its ambassador from Warsaw, accusing the Poles of vile behavior and lack of common sense in connection with retaliatory actions against Korean diplomats.

The Polish Foreign Ministry demanded that the number of staff of the Korean Embassy in Warsaw be reduced and decided to recall our ambassador in Pyongyang following the Korean action to force the Polish officers supervising the demilitarized zone on the North-South Korean border to leave.

Official Reaction

LD0504123995 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 5 Apr 95

[FBIS Translated Text] Krzysztof Sliwinski, head of the Foreign Ministry Information Department, has said that Poland will not react to the North Korean announcement, to the effect that it will recall its ambassador from Warsaw. The Ministry spokesman added that no official decision on recalling the North Korean ambassador from Warsaw has been forwarded. We have been expecting such a reaction, he said, after Poland recalled its ambassador from Pyongyang and asked North Korea to reduce its diplomatic personnel in Warsaw by half.

[Begin Sliwinski recording] Polish-North Korean relations are bound to deteriorate, but there is nothing dramatic in bilateral relations. For the moment, we cannot expect a development of cooperation or political dialogue. I think that our economic relations will be maintained at the present level and that the diplomatic representations in both capitals, although reduced in numbers and level, will carry out their duties.

As regards the statement, which we have not received via official diplomatic channels but from a press release, it contains the rhetoric that grates upon our ears and we do not have to react to this. [end recording]

Oleksy: No Talks With Moscow on NATO

BR0504141395 Brussels LA LIBRE BELGIQUE in French 5 Apr 95 p 4

[Interview with Polish Prime Minister Jozef Oleksy by Jean Orval in Warsaw; date not given: "We Should Have No Gray Areas in Europe!"]

[FBIS Translated Excerpt] *On 5 and 6 April, Polish Prime Minister Jozef Oleksy (a former communist) will pay an official visit to Brussels. This is his first foreign trip since his inauguration in early March. In Brussels he will meet with NATO Secretary General Willy Claes, EU Commission President Jacques Santer, and several leading Belgian politicians. He will take the opportunity to reaffirm Poland's wish to join the alliance and the EU as quickly as possible.*

[Oleksy] NATO is a defensive structure, and we know that only full membership in this organization can guarantee us solid and durable security. This is a lesson we learned from our history. Poland's security should depend on a complete structure and not on one or another separate guarantee, as happened in the past. We no longer want to be the victim of history and, without dramatizing dangers that may be lurking, we refuse to be part of some kind of gray area. We prefer one very precise area: NATO.

This preference is not directed against anybody. We understand Russia's worries and arguments. We think there can be no Europe without Russia and that no attempts should be made to isolate it. I will do my best to develop optimal relations with Russia because, together with Russia, we will always be part of Europe.

[Orval] Should membership in NATO be discussed with Russia?

[Oleksy] I think the current parallel approach is a good solution: on the one hand, the efforts to enlarge NATO and, on the other, the talks between NATO and Russia to define their mutual relationship. But negotiations between Warsaw and Moscow on Poland's integration into NATO are out of the question. [passage omitted]

Comments on Talks With EU

LD0504211595 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 5 Apr 95

[Report by correspondent Krzysztof Wojna in Brussels]

[FBIS Translated Text] The visit to Brussels spells out the priorities in the Polish Government's foreign policy and is aimed at creating a favorable climate. It seems that the climate during today's talks was quite good, although this time there were not too many specific details, and both NATO and the European Union avoided specific dates like the plague. This is how the prime minister assesses his first day in Brussels:

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[Begin Oleksy recording] I must say that the atmosphere was excellent. There was much sincerity toward Poland, but we have been experiencing this for a long time. Poland is now seeking concrete facts and expecting to be given dates, if possible closer in time. We want Poland to take part in the (Cannes) meeting in 1996, just as we did in Essen. We have not been given confirmation of that.

We discussed with Mr. Brittan a very broad range of subjects outside the meeting with the Western European Union. The two-hour meeting with the EU commissioner was very interesting. Three-quarters of the meeting was devoted to the matter of the white book now being prepared and the Polish chapter in this book, as well as what this book is to include with regard to prenegotiation conditions that the countries applying for membership in the Union are to fulfill in order to achieve fruitful negotiations on the subject of membership. This discussion, which took place at midday, was interesting.

I can say that none of the Polish demands came as a surprise. However, I personally detected some reserve, maybe because I am here for the first time. Perhaps it has always been there. I can understand it. However, further specific details [sentence unfinished]

Tomorrow I will have talks with the head of the European Commission. [end recording]

[Wojna] Tomorrow the prime minister will meet the head of the Belgian Government and Jacques Santer, chairman of the European Commission.

No Attendance by Walesa in WWII Ceremonies Abroad

LD0504181195 Warsaw Polskie Radio First Program Network in Polish 1700 GMT 5 Apr 95

[FBIS Translated Text] President Lech Walesa has issued a statement saying that he will not take part in any ceremonies outside Poland that are to commemorate the end of World War II. The reason for his decision is the fact that these ceremonies are being accompanied by political bargaining. In a statement issued today, the president said that now, a few years after the overthrow of communism and the toppling of the Berlin Wall, Europe is still divided into better and worse Europeans.

Referring to the ceremonies in Warsaw marking the end of the war that are scheduled for 8 May, the president called for reflection on his appeals for a united Europe of values and principles. Lech Walesa recalled the dates 1939 and 1945, adding that the Poles are making their warning heard for the third time.

Poll: Majority View Walesa's Career Negatively

WS0504132195 Warsaw RZECZPOSPOLITA in Polish 5 Apr 95 pp 1-2

[Article by Marcin Dominik Zdort: "How Do We Evaluate the 15-Year Career of the Incumbent President? Lech Walesa's Achievements"]

[FBIS Translated Text] Lech Walesa often emphasizes in public statements that only history will be able to justly assess his accomplishments. Nonetheless, at the request of RZECZPOSPOLITA, the Sopot Social Research Laboratory [PBS] has already asked its respondents for such an assessment. It asked for a general evaluation of Walesa's achievements over the last 15 years, from 1980 up to now. It turned out that those who evaluate those accomplishments positively and rather positively comprise 32 percent of respondents; as many as 40 percent evaluate them negatively and rather negatively, and 29 percent—neither positively nor negatively.

The evaluations of the various periods in the political career of the incumbent president are quite varied. The period that raises the least doubts is probably the period of strikes in 1980 and the 16 months of the first "Solidarity" ["S"]. The times after this period—the war at the top and the presidency—are far more controversial.

The upcoming presidential elections in which Lech Walesa intends to run (the elections will be held 15 years after his arrival on the political scene) are a good occasion to try to evaluate the three five-year periods of the career of the head of state—even though certainly not much time has passed yet.

The activity of Lech Walesa, today and in the past, is approved by men rather than by women. Nearly one-third of Polish women are unable to evaluate the president either positively or negatively, whereas similar indecision is observed in only one-fourth of Polish men. The group of the undecided primarily includes housewives (39 percent) and farm employees (38 percent).

The attitude toward Walesa's achievements is, of course, related to the respondents' political views. His 15 years of activity are evaluated favorably by people who identify themselves with the Independent Self-Governing Trade Union "S" (66 percent), the Nonparty Bloc in Support of Reforms [BBWR] (58 percent), and the right wing—even though rightist leaders are not favorably disposed toward Walesa (Alliance for Poland—56 percent, 11 November Accord—53 percent). His activities are negatively assessed by supporters of those groupings that have their roots in the system which Lech Walesa helped overthrow, that is, the Democratic Left Alliance (59 percent) and the Polish Peasant Party (50 percent).

Those who tend to positively evaluate the 15-year career of Lech Walesa comprise first of all people with higher and vocational education; people with high-school education more often express negative opinions.

Incomes of the respondents also effect the general evaluations of Lech Walesa's accomplishments. People who are satisfied with the transformations which have taken place in Poland and people whose monthly per capita family income exceeds 3 million zlotys [Z] tend to assess those accomplishments positively (but if the income exceeds Z4 million, the evaluation of Walesa clearly deteriorates). Poorer people (with an income of less than

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Z1 million per family member) are definitely dissatisfied with the three five-year periods of Walesa's activity; more than half of them criticize his achievements—in this group the percentage of people who assess the incumbent president unequivocally negatively is the biggest (31 percent).

Apart from supporters of "S" and BBWR, the group whose evaluations of Lech Walesa's accomplishments are the best consists of the managerial cadres (25 percent evaluate Walesa unequivocally positively and 23 percent—rather positively). As for professional groups, those who tend to evaluate the first "S" chairman negatively and rather negatively are white-collar workers, peasants, and blue-collar workers.

Thus, the overall evaluation of Lech Walesa's activities is rather negative. However, today he is still an active politician and while assessing him, we undoubtedly take into consideration his activities in recent months, whereas the long-lasting effects of the decisions made by the incumbent president and their real influence on the country's development will be better assessed after many years. Therefore, Lech Walesa is probably right in saying that the ultimate evaluation of his accomplishments will be made by history.

If you take into account Lech Walesa's activities since 1980, how would you generally evaluate his accomplishments?

	Percent
Positively	11
Rather positively	20
Negatively	18
Rather negatively	22
Neither positively nor negatively	29

* * *

The research was conducted by the PBS at the order of RZECZPOSPOLITA on 25-26 March 1995 on a representative 1,050-person sample of adult residents of Poland.

PFN's Janusz Bryczkowski To Run for President

WS0604105495 Warsaw ZYCIE WARSZAWY in Polish 6 Apr 95 p 2

[Article by "LUZ": "Bryczkowski Is Also Running"]

[FBIS Translated Text] "They are no rivals," said the leader of the Polish National Front [PFN] Janusz Bryczkowski of the current field of presidential candidates, and decided to run himself. "The vision of who might come to rule Poland caused me to make the decision to run," he honestly admitted at a meeting with journalists yesterday.

Bryczkowski intends to focus his campaign on the following theses:

—We should no longer strive to enter NATO.

In exchange, he suggests the "eternal neutrality of Poland."

"For what do we need NATO if there is to be no war? If a war does break out, the Russian steamroller will crush us in five minutes anyway," said Bryczkowski. That is why, he states, we must primarily repair our relations with Russia.

—No more myths about the Polish economy.

"We are living a lie. It is the 'gray sector' that has been generating economic activity for years," he argued.

The PFN leader stresses the importance of trade with the East and states the quality of goods exported there should be improved. "I saw the sausage we export to Russia. I had it examined at a plant in Olsztyn and it turned out that there was only 20 percent actual sausage in the sausage," he said with irritation.

—No more terror in the streets. "I live on Targowa Street. Citizens of the CIS are robbed there upwards of 10 times a day. That is banditry, pure and simple, supported by the state," he said.

Bryczkowski wants to finance his campaign himself. He estimates his capital to be worth "several million dollars." His assets are said to include an industrial oil plant in one of the Russian republics, oil fields in its vicinity, and a mining plant of white Siberian oil.

"When I win, I will hand the mine and the oil fields over to Polish companies," he declared.

Bryczkowski intends to involve Russian citizens in his campaign. Head of a Russian officers' organization, General Colonel Vladislav Achalov is said to have already declared his personal support. "If the need be, he will come to Poland and appear on television," announced Bryczkowski.

Defense Minister on Projects, Policies

WS0504074595 Warsaw POLSKA ZBROJNA in Polish 31 Mar-2 Apr 95 p 3

[Interview with Polish Defense Minister Zbigniew Wojciech Okonski by Colonel Tadeusz Mitek and Colonel Marek Zdziech; place and date not given: "I Value Pragmatic Action"]

[FBIS Translated Text] [POLSKA ZBROJNA] Mr. Minister, we would like to begin our conversation by asking about your first impressions, as head of the ministry, after having direct contacts with the Army, both those with the generals and with soldiers you met during your visits to testing grounds.

[Okonski] The favorable impressions I had from my earlier contacts with the military, when I still worked for the Ministry of Foreign Economic Cooperation, have

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become far more profound since I became defense minister. I have had the opportunity to meet and talk with the highest-ranking commanding officers, officers of the General Staff of the Polish Army, and officers working in the military and civilian departments of the Ministry of National Defense [MON]. I have also observed training and exercises carried out at testing grounds by tactical officers and their subunits, as well as rank-and-file soldiers.

I can thus say that over the short span of three weeks I have dealt directly with the military reality on its various levels—from staff concepts to the toil of soldiers during training. I am aware this is not the full picture of our Army, but commanders and soldiers deserve high marks.

I think it is worth stressing that officers at all levels of command are very skillful. Their efforts to train soldiers individually and coordinate cooperation between units are worthy of the highest praise, especially considering the very tight budget at their disposal.

I admire the spirit and determination of rank-and-file soldiers from the various units in the course of tactical operations and shooting exercises... For a civilian, or rather for the reserve officer that I am, their skills verge on mastery.

Generally speaking, not only is my positive impression of the Army growing, but I keep getting new proof to substantiate my admiration.

[POLSKA ZBROJNA] Your first few weeks in office as defense minister are now over. What problems do you see as most important and which have you taken care of already? What are your top priorities for the immediate future?

[Okonski] Taking over the post of defense minister I did not have a ready plan for solving the most burning problems of the Armed Forces or—in more general terms—the issues of national security. I do not believe such a plan can be developed from week to week through the efforts of one individual...

I was and am aware, however, of the hierarchy of issues that I have been trying to prioritize since the first days of taking office...

I have already presented some of them in earlier statements, for example guaranteeing civilian control over the Army, the issue of modernizing the Armed Forces, or integrating Poland with NATO and the European communities. Of course, these are long-term projects, especially integration with NATO structures, which I consider to be the strategic objective of a uniform foreign policy of the state, of which defense is a part.

I would be a foolish administrator, however, if I failed to see what was happening under my own nose in pursuit of priorities. I thus decided that the reorganization of the inner structure of MON is most important—the climate, quality, and effectiveness of our activities will depend on its implementation. Work on correcting the organizational structure of MON and adapting it to fulfill current tasks is already under way. We have already begun an assessment of last year's defense budget so as to administer the budgetary means allocated this year more effectively.

I think POLSKA ZBROJNA readers will be interested to learn that new regulations are being developed on the functioning of the media in MON and the Armed Forces. I can add that I suspended the decision to turn the Polish Army's daily paper into a biweekly publication until the place and role of the media in the life of the Army is defined...

These, of course, are only a few examples of what makes up my day-to-day schedule. There are too many things, with which I have to deal in the immediate future, to list... I only wish to mention that the plethora of priorities does not blind me to the cardinal issues. In the immediate future, for example, I intend to pay several important visits abroad.

[POLSKA ZBROJNA] What style of work do you practice in your professional activities? In one of your statements, for instance, you said you would not tolerate servility. Does that mean that you have already come across it at MON?

[Okonski] It is difficult to assess your own style of work and professional contacts. It often is the case that you see yourself differently than your superiors and associates. Their opinions can become a label, something superficial you cannot escape... I do not want to be labeled like some actors, who deep down inside feel like acting in tragedies, but directors keep casting them in comedies only because they made people laugh early in their career...

Seriously speaking, I feel like a politician. I feel that one of the basic elements of the style of work of a politician is the ability to make concessions which, in my view, do not preclude firmness in attaining objectives. I think I am open to suggestions and initiatives if they are adequately motivated, realistic, and provide for an implementation strategy. I simply value pragmatism.

As far as the statement I made that I will not tolerate servility... Perhaps it was misunderstood. I said—and I wish to stress this one more time—that I cannot imagine that loyalty could be replaced with servility, and courage with serfdom and ill will in our Army, which is—after all—aspiring to become a modern army of a democratic state.

Readers following some of the press reports on the Army could often get the impression that these types of attitudes are beginning to prevail in the Army. Fortunately, my experience to date does not confirm that.

[POLSKA ZBROJNA] How do you interpret the fact that society so obstinately and consequently places more trust in the Army than in any other state institution? Did

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the awareness of that fact have any impact on your decision to take the post of defense minister?

[Okonski] I am not a sociologist, thus I do not wish to interpret the results of research for the professionals. Adding my voice to the discussion, I think Polish society has at least several reasons for trusting its Army so highly... One could give examples of the historically documented glory of the Polish Army in the past, dedicated following of the traditions of independence, or the sentiment for restoring the Army's cultural heritage through patriotic education, ceremonies, colors, and emblems. That is on an emotional level.

There are, in my belief, also various rational reasons—the unchanging, high morale, and nonpolitical character of the Army regardless of the changes that take place, good training that is comparable with that of other armies during joint exercises and in peace missions. Finally, the combat readiness of our Army, praised by our allies from the West.

I think the Army fully deserves the trust of society. This fact makes me personally proud to be the head of the ministry responsible for the Armed Forces and national defense. This was not the only reason why I decided to take the post of defense minister. I accepted the president's offer with the conviction that I am able to meet the demands facing MON and the Army in the critical stage of system transformations, in both our country and the Armed Forces, so as to meet economic and military standards of West European communities.

I intend to do everything I have to and can to keep that level of trust high.

[POLSKA ZBROJNA] During the "hearing of the ministers" you declared your will to introduce civilian control over the Army, modernize the Armed Forces, and accelerate our entry into NATO. Those are very general theses, widely approved. Our readers would probably like to learn more of the implementation details. Is it not too early to ask you about the specific measures you intend to take?

[Okonski] Indeed, I have made such declarations and I intend to stick to them. I also said I need three or four weeks to present more details, perhaps even an outline of decisions made on these vital issues. This is only my third week at MON, so perhaps it is too early to speak of particulars.

These issues require not only an in-depth survey of opinions within the ministry, but most of all agreements and negotiations with top state authorities responsible for state security strategy.

As is known, I have my own project for a conciliatory solution to the controversial issues of civilian control over the Army and the distribution of power. I presented my concept to the president, who is the commander in chief of the Armed Forces of the Republic of Poland and the top constitutional authority in charge of the overall external security of the state. Lech Walesa did not hide the fact that this is a very difficult issue, but he wished me luck.

I have spoken on this and other issues pertaining to legal regulations regarding defense with politicians from the coalition and the opposition; I have paid many visits to the Sejm and Senate. I can now say that my initiative has raised the interest of the parties involved and a compromise seems possible.

As far as Poland's quick entry into NATO is concerned—and I have stressed on many occasions that this is a top priority for me—after the meeting between U.S. Secretary of State Warren Christopher and the Russian Foreign Affairs Minister Andrey Kozyrev in Geneva, a new Russian plan on cooperation with NATO emerged, not very advantageous for Poland. The project boils down to obstructing the expansion of NATO structures so as to prevent the inclusion of Central and East European states. The stance presented by the United States is firm and felicitous for us. Our entry into NATO will have to take place in several stages. I think I will be able to say more on this issue once I return from my visit to NATO Headquarters. Currently, in my opinion, it is most important to implement projects within the Partnership for Peace plan we joined.

It is particularly important to implement projects targeted at adapting our systems of command to those of our future allies and attaining compatible technological standards by our Armed Forces...

[POLSKA ZBROJNA] In a statement you made to POLSKA ZBROJNA immediately after having received your nomination, you said that we have to modernize our Armed Forces, and that one of the ways to do that would be to involve the domestic arms industry. We do, of course, accept that view, but what power does the ministry—considering its difficult financial position—have to stimulate Polish industry?

[Okonski] The aim of modernizing our Armed Forces is not unknown, neither am I, its author. The need for an in-depth modernization of arms and equipment in the Polish Army and its consequent restructuralization is conditioned by the economic situation of the state on the one hand, and the political will of integrating Poland with Western security structures on the other.

This is, thus, both our own choice and an undisputable need. State authorities, as the Sejm defense debate has shown, are aware of these facts. The main authority implementing these objectives is MON.

It is also true that this year's budgetary means allocated for new technology are too small to actively stimulate the domestic arms industry with military contracts. The production output of domestic plants, particularly those that meet European standards and current requirements of the Armed Forces, will remain one of the major elements of implementing modernization projects.

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The limited financial resources do not keep me from seeking saving methods within the ministry.

Together with the top authorities at MON we have undertaken an effort to implement government projects that had been jeopardized in previous years. They still need the approval of the Council of Ministers, but their implementation may bring measurable profit for specific plants, while the Army could stand a chance of receiving weaponry of the newest generation much sooner.

These are certainly all very temporary measures, which perhaps do not quite meet the expectations of the arms industry. I am convinced, however, that together with the projected growth of the MON budget in the years to come, the offer of contracts for the Army will be broadened. This, of course, does not absolve the government from the responsibility of finalizing the debt reduction process in plants within the special industry. The producers themselves, on the other hand, are not freed from the need to seek new markets for their products, which is not easy considering the fact that purchases are decreasing with each passing year...

High quality equipment, however—and I think only a few of our plants can afford to produce it—will always find customers, both domestic and foreign.

[POLSKA ZBROJNA] You probably know the text of the Sejm resolution on basic issues pertaining to state defense. It contains specific declarations and intentions of the legislative authorities, as far as the Armed Forces are concerned. How probable do you think they are and how can the provisions of that resolution be translated into objectives (or perhaps negotiations) for MON?

[Okonski] The resolution of the Sejm of the Republic of Poland, dated 16 February 1995, which you have just quoted defines not so much the intentions of the legislative authorities as far as the Armed Forces are concerned, but defines their place and role in the political system of our state. Moreover, it provides an explication of the general guidelines for the Army in a democratic state, in particular in its external relations with the authorities.

In a situation when new constitutional and legal provisions pertaining to these issues are only in the phase of development, this explication is a directive for all institutions of political life. I think this part of the resolution does not require any further comments or translating into the language of practice. The principle of the nonpolitical character of the Army, for example, was—as far as I know—approved by the commanding officers and the soldiers, and it has been observed ever since a law on the issue was passed several years ago.

Similarly, the issue of implementing democratic civilian control over the Army does not raise any doubts or controversies within the military. As I have already said, I am currently negotiating the provisions of a resolution pertaining to that principle.

Having taken part in a meeting with commanders of the Armed Forces, I do not have the impression that the highest ranking officers are aspiring to turn the Army into a political tool. I am convinced their efforts focus on the implementation of top priority objectives targeted at guaranteeing our country with sovereignty and security.

I was thus very pleased with the part of the resolution that pertains to objectives, and which obliges the government to undertake specific, systematic action. That action, in brief, is to cause a steady growth of funds allocated to national defense, so that it can reach a level of 3 percent of GDP. Money should thus be raised for intensive training and purchases of new weaponry. Some contracts will certainly go to domestic industry.

The implementation of these objectives will definitely require great effort and discipline on the part of the government and MON. To prepare a long-term project for the development of our Army, for example, or a plan for the reorganization of national defense so as to render it compatible with new external and system conditions, extensive staff research has to be carried out, existing projects and concepts have to be revised, and new suggestions have to be developed jointly.

Time is short. The government is to present the Sejm with a report on the implementation of projects by the end of June. In my opinion, this is a very serious and huge undertaking which serves not only the interests of the Armed Forces, but most of all strengthens the security of the state and of each of us, the citizens. In developing that report, I am counting on the willingness to cooperate on the part of the General Staff of the Polish Army, as well as on understanding and fruitful cooperation between the particular ministries.

[POLSKA ZBROJNA] Mr. Minister, thank you very much for the interview.

Wants 'To Clean His Ministry'

WS0604101995 Warsaw ZYCIE WARSZAWY in Polish 6 Apr 95 p 2

[Article by "LUZ": "The Army: Spring Cleaning in the Defense Ministry"]

[FBIS Translated Text] Head of the Ministry of National Defense [MON] Zbigniew Okonski wants to clean his ministry, but there is not much he can do. It may thus happen that the president's intentions to dismiss people connected with the military will be limited to changes within the National Security Office [BBN].

"I will tolerate neither servility, nor lack of loyalty," said the "presidential" minister upon entering MON. He assured he did not plan any changes at the deputy minister level. "This is hardly surprising, considering that deputy ministers can be dismissed only with the approval of the prime minister," deputies said at the time.

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The head of MON thus adopted different tactics—since he cannot dismiss anyone alone, he wants the "undesirable" deputy ministers to resign of their own initiative. From unofficial sources we learn that such is the case of First Deputy Minister Jerzy Milewski. Okonski is said to have suggested on several occasions that he does not see a place for him among his colleagues. Yet Milewski has no intention of resigning, especially as he is supported by the leader of the Democratic Left Alliance [SLD] Aleksander Kwasniewski himself.

Okonski would undoubtedly be happy to get rid of the SLD representative in MON, [Deputy Minister] Danuta Waniek, claim the minister's associates. Yet he has no chance of doing that. There are chances, however, that the third deputy minister, Jan Kuriata, may resign. He could be replaced by an expert from the Ministry of Foreign Economic Cooperation [MWGzZ], Minister Okonski's previous place of employment.

MWGzZ is already represented in MON by Jerzy Koziej, head of the minister's cabinet, who may soon become director general of the entire ministry. In the past, he was responsible for economic cooperation with former socialist states.

Meanwhile, black clouds are gathering over the head of the presidential BBN, Henryk Goryszewski (Christian-National Union). The Belvedere is sending stronger signals that the president would like to see a more efficient politician in that post, perhaps also from the right wing.

UW Chairman Balcerowicz on Policies, Program

WS0604104095 Warsaw GAZETA WYBORCZA in Polish 3 Apr 95 p 3

[Interview with Professor Leszek Balcerowicz, newly appointed chairman of the Freedom Union, by Artur Domoslawski; place and date not given: "Efficiency Is Duty"]

[FBIS Translated Text] [Domoslawski] Did you expect such a sweeping victory?

[Balcerowicz] It was one of the possible results, even though I also took other scenarios into account. This was one of the best possible results.

[Domoslawski] Why did you decide to run for the chairman's position?

[Balcerowicz] First, because the Freedom Union [UW] is a party that is far from the point where its potential is exhausted, that is, where it can win no more votes. Second, because other options, which would have been acceptable to both Tadeusz Mazowiecki and myself, proved impossible. We decided, therefore, that democratic competition would be the best solution. I believe that UW is no weaker after this competition.

[Domoslawski] Tadeusz Mazowiecki said that the congress participants made a deliberate choice. He expressed some doubts, however, "whether it was fully realized what this election means." What does it mean?

[Balcerowicz] It first of all means that the party will have a clearer, more cohesive plan and that it will be implementing it more efficiently. I would like to add, however, that I do not oppose efficiency to principles. I do not intend to act efficiently to implement any program. I do believe, however, that efficiency in the implementation of the values which one cherishes is his moral duty.

[Domoslawski] How do you want to win the support of those UW members who did not back you up?

[Balcerowicz] The congress showed this. The competition took place properly. The composition of the party's leadership is representative and it also offers a chance for cooperation. This will make for efficiency in the service for important values.

[Domoslawski] Tadeusz Syryjczyk became your deputy. Was this appointment a gesture of reconciliation toward the portion of UW which lost the elections?

[Balcerowicz] This cannot be interpreted this way. I know Tadeusz Syryjczyk very well; we worked together in the Mazowiecki government. I think highly of him for his expertise and uprightness. His views largely converge with mine. Moreover, he enjoys great respect in UW.

[Domoslawski] What does it mean now that UW is run by two "economic politicians"?

[Balcerowicz] We consider the economy to be an important, but not the only element of the socioinstitutional order. This order is also made up of the following: efficient democracy, ordered economic freedom, a system of social protection, which should not be monopolized by the state. Neither one of us concentrates purely on the economy. Economy is a science that deals not only with the economy, but also family, education, politics, and so on. The difference between economy and other sciences concerned with politics is that it is characterized by a greater discipline of thought.

Aside from that, Tadeusz Syryjczyk is a master of sciences...

[Domoslawski] How do you evaluate the oppositional character of UW?

[Balcerowicz] There are various opinion on it. Being in opposition must be efficient and must be in line with the party's program. These two things should and must be reconciled. The opposition should criticize policies of the state authorities only because it considers them incorrect, not for any other reasons. Skillfulness without a program is a nearsighted policy.

[Domoslawski] You do not really support the model of being totally in opposition?

[Balcerowicz] This model is represented by the Confederation for an Independent Poland. This cannot be said about UW.

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[Domoslawski] Do you support the idea of UW's being in "soft" opposition to the government? You supported the budget...

[Balcerowicz] I said that supporting the president's veto might lead to a dissolution of the Sejm and to political turmoil. In such a situation it would have been unreasonable to support the veto. This resulted from my belief in democratic values and from my opposition to manipulation of the law. It has nothing to do with being in "tough" or in "soft" opposition.

[Domoslawski] Tadeusz Mazowiecki asked the following question: Either a compromise after the presidential elections—a compromise based on the present political configuration, or a change in this configuration? Mazowiecki prefers the former. How about you?

[Balcerowicz] Maybe this is a false alternative? There are no people in UW who would like to preserve the present political configuration. I am certainly in favor of a change. However, how do you set about making such a change? The answer is: By consolidating the party, by receiving more votes in the elections. Then you can change this configuration.

[Domoslawski] I have heard people say that the election of Kuron and Balcerowicz means an alliance with the Democratic Left Alliance. Is this true?

[Balcerowicz] Such a presumption results from unfounded charges, not facts. This also shows that priorities are established improperly. First we ought to consolidate the party, only then should we think about making alliances. Only in these terms can one consider various ideas.

[Domoslawski] However, it is essential to choose a partner. It can hardly be expected that UW will govern alone.

[Balcerowicz] When a coalition is formed, the force that one has at its disposal is important. UW does not necessarily have to be the weaker partner. The party can certainly win more votes than merely 10 or 12 percent. I would like to consolidate the party and gain greater support. Then we will try to find allies. We are hoping that a real conservative-liberal right wing will finally emerge. As a result, there will be more potential partners from which to choose.

[Domoslawski] What would you like to say to UW supporters and to politicians of other groups?

[Balcerowicz] Here is what I want to say to our supporters: I would like to turn UW into the main, but also efficient reformatory force in Poland.

I would like to say to politicians of other parties that I am an advocate of keen competition, but, just as in sports, this competition must be based on fair play. When we are competing, we do not have to be enemies and close roads of cooperation.

NBP May Introduce Floating Exchange Rate

LD0504213595 Warsaw TVP Television First Program Network in Polish 1730 GMT 5 Apr 95

[Relayed by TV Polonia Network]

[FBIS Translated Text] [Announcer] Since the beginning of the year, foreign currency reserves in Poland have grown by over $2 billion. This is over $500 million more than the government predicted for the whole year. The reserves now amount to $13 billion. It is possible that, before the end of April, the Polish National Bank [NBP] will introduce a floating rate of exchange of foreign currencies against the zloty, which should limit the worrying increase of foreign currency reserves by market mechanisms linked to the increase or fall of the price of the dollar.

[W. Grzegorczyk—identified by caption] Increased exports are not the reason for the increase of our foreign currency reserves. The balance of our trade is negative. The influx of foreign currencies is primarily caused by the border trade. According to the estimates by the Central Planning Office [CUP], we obtained as much as $6 billion from this source last year. Banks receive more and more dollars and marks, and their equivalent in zlotys floods the market, which causes the increase of inflation.

[Wojciech Kostrzewa, Polish Bank for Development—identified by caption] The problem of the recent days or weeks is not as much the influx of foreign currencies, but the influx of foreign currencies in the situation when we have to deal with practically fixed rates of exchange all the time.

[Unidentified correspondent] In such a situation, market mechanisms linked to the fall or increase of the price, which would normally put a halt to the excessive sale of foreign currencies to banks, do not work. When banks hold too much foreign currency, its price will most probably have a declining trend. Trying to reduce the influx of foreign currencies, the NBP has so far been reducing the tempo of the devaluation of the zloty. That is, it is trying to maintain its attractiveness. According to the Ministry of Finance, this will be effective if the NBP lowers interest rates at the same time. The ministry claims that high interest rates reduce the effects of other actions of the NBP because it results in the influx of more foreign currencies, speculative capital tempted by the high profitability of government securities.

[Ryszard Michalski, deputy finance minister—identified by caption] One wonders why speculation continues to remain on such a small-scale level, although the tempo of this phenomenon has been growing. We may, therefore, expect that more and more dollars will be invested in our economy as speculative investments.

[Correspondent] Fighting against the excessive influx of dollars, the Central Bank wants to discard its practice of setting fixed rates of exchange of foreign currencies. As we have unofficially learned, this may still take place in April.

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Bosnian Croats: Muslims Undermine Federal Accord

LD0504135895 Belgrade TANJUG in English 1255 GMT 5 Apr 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, April 5 (TANJUG)—Representatives of Bosnian Croats accused on Wednesday the Muslims of undermining the implementation of three agreements (Washington, Vienna, and Bonn) on a bi-national federation on the territory of the former Yugoslav republic of Bosnia-Herzegovina, Bosnian Croat radio reported.

The latest accusations were triggered by the failure of Muslim representatives to come to a meeting in Vitez in central Bosnia to discuss the implementation of the Federal Constitution and constitution of a mixed canton in central Bosnia.

In a statement for Bosnian Croat Radio Herceg-Bosna the Federation's president, Kresimir Zubak, a Croat, assessed that the Muslims' failure to come had exposed the true nature of their allegations that Croats were hindering the implementation of the Constitution and of Federal agreements.

Bosnian Croat official Ante Valenta said the Muslim delegation's failure to come to the meeting in Vitez was a 'very serious incident aimed against the implementation of the Washington, Vienna and Bonn agreements for building the Muslim-Croat Federation.' The Muslim-Croat Federation was formed under the Washington Agreement signed at U.S. insistance in March 1994, but it exists only on paper because the federal partners refuse to give up any state attributes.

More than a month ago the representatives of federal partners signed, under the sponsorship of German Foreign Minister Klaus Kinkel, an agreement on the revival of the Federation. The agreement established a deadline (mid April) for setting up federal institutions. Bosnian Muslim and Croat political leaders have not managed, however, to agree when they will hold a Federal Assembly to ratify the Bonn Agreement.

SDA Vice President Clarifies Party's Interests

AU0504204395 Sarajevo OSLOBODJENJE (Bosnian) in Serbo-Croatian 30 Mar 95 p 5

[Article by "S.L.": "Whose State Is Bosnia-Herzegovina?"]

[FBIS Translated Text] The statement made by Edhem Bicackic, vice president of the Party of Democratic Action [SDA], that the party's primary interest is "a Bosniak state which will enable our survival," has caused confusion in the public, particularly as it followed only a day after SDA President Alija Izetbegovic addressed the party's steering committee, where he listed "a democratic state, multinational and multiparty," as one of the SDA's goals.

Edhem Bicakcic's words carry a certain weight because they were spoken at the session of the SDA steering committee, and because they formulate one of the stances which are to be incorporated into the SDA's new program. Yesterday we asked him for an additional explanation.

The SDA's interest is an integral Bosnia-Herzegovina, said Bicakcic in a statement for OSLOBODJENJE, and clarified the formulation expressed at the SDA steering committee's session: We want a Bosnia-Herzegovina comprised of Bosniaks and all other nations which have an interest in the state. Therefore, Serbs and Croats too, who see Bosnia-Herzegovina as their state, have a place in it. We have to fight jointly for such a state.

Bicakcic added that Bosnia-Herzegovina is a guarantee of the Bosniak's survival in the region and that is why they perceive it so emotionally.

"The mutual interest," continued Bicakcic, "is coexistence, a model which already exists here." However, it is only the Bosniaks who have been fighting the whole time for this mutual interest. The other nations must also find in themselves this joint interest, both Serbs and Croats. On the other hand, the state of Bosnia-Herzegovina must create conditions for them to realize this interest in order fully to realize the primary goal.

Bicakcic believes that the Federal solution entirely satisfies this interest. In an integral Bosnia-Herzegovina, the Serbs would also have their cantons.

This can be a decentralized state, but it must remain a state; Bicakcic was categorical about this. It must be a state that guarantees the Bosniak's survival. The Federal organization is a model which completely satisfies both the Serbs and the Croats, and we must fight for it. Serbs and Croats must join in this struggle, to the extent that will protect their interests. The Bosniaks alone cannot proclaim a mutual interest. This would mean imposing their will on others.

Bicakcic claimed that the model of mutual existence cannot be the Bosniak's exclusive interest. It must be a model in which others will also recognize themselves.

The Croats have committed themselves to the Washington Agreement, but unfortunately, so far they have not shown readiness to implement it. We hope that they will do so in the future. Moreover, such processes can also be expected among the Serbs, Edhem Bicakcic concluded.

Russian Mercenary on Fighting With Serbs

AU0504152495

[FBIS Editorial Report] Budapest NEPSZABADSAG in Hungarian on 1 April on pages 18 and 19, under the

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heading "The Only Choice in War: Him or Me," carries a 2,800-word interview by Laszlo M. Lengyel with an unnamed Russian mercenary who fought alongside the Serbs in Bosnia until early this year.

To begin with, the soldier describes how he, obeying legal formalities, traveled to Serbia from Russia via Ukraine and Hungary and bought a bus ticket in Subotica (Serbia) to get to Sarajevo. He confirmed to Lengyel that this initiative was totally voluntary on his part and unaided. According to the soldier, the total number of Russians in Bosnia might have been 30 to 40.

"We formally belonged to Slavko Oleksic's chetnik free troops," he says, adding that "Oleksic is a leader of the Sarajevo money recovery mafia." As for their weapons: "We chose Kalashnikovs but we could also have had German, Israeli, or U.S. automatic weapons."

Talking about other foreigners, the soldier says that "Ukrainians and Russians also came to us from the so-called security services," and he says they saw this from the way they disappeared when the situation became hot. "American Serbs" also came. "They were constantly asking questions. They gathered information and took photos," "then a photo appeared in SOLDIER OF FORTUNE magazine." "The Israeli secret service Mossad is also operating very professionally there. We knew a Major Katzman; on paper he was an officer of the Serbian security. He exchanged the Jews and rescued them on both sides, among the Serbs and the Muslims. As far as we know, he was to get 3,000 German marks for each person, from both sides."

To a question about advisers and trainers, he says: "They mainly operated on the Muslim side. They must have been Saudis and Afghan mujahedins." "In the wake of their efforts, the Bosnians began to fight much better and cleverly. It is easy to recognize the Saudi school. Many Saudi officers had studied at Russian academies, including the one I attended." The soldier mentioned that a few Hungarians, who had fled from the Hungarian police, were also present. "They are in control of weapons and drugs trade." "These Hungarians somehow get hold of weapons. It is even more interesting what happens to drugs. Much grass is used, hemp. According to the experts, it comes from Turkey. So does dough, the raw and harder drug made from hemp pollen. A gram of heroin is 40 German marks. Cocaine is even more expensive."

As to who uses these, he says, "Everyone. The Ukrainian and Russian UNPROFOR [UN Protection Force], and the French." When the stocks were running out, "the two Hungarians would disappear for a couple of days" and appear with "fresh delivery from Turkey via Hungary."

As for the weapons: "The Greeks are good at this. The weapons mainly come through Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] in humanitarian deliveries." "And now that the market is saturated, weapons are going out of this region," to Greece, then Kosovo, Macedonia, and further. He claims that the popular items are "modern equipment. For example, plastic explosives, radio detonators, radio mines, Russian expert rifles, optical equipment, and nighttime equipment that are very modern." According to the soldier, the Russian weapons dealers have proper offices in Belgrade. He quotes an example of how the weapons are handed over. "The Muslims might launch an attack, of course, according to previous agreement. The arms dealers, namely the innkeepers, will have arranged everything in advance. The Serbs take a lot of modern weapons to the defined area and when the Bosnians come they run away." He claims to have participated in one of these actions.

He believes he had to leave Serbia because the Russian group had become a burden for Bosnian Serb President Karadzic for some reason. One of these might have been that they had "discovered a secret." In prison, some of his mates met Viktor Srebrov. "He had organized the Democratic Party of the Srpska republic when Yugoslavia was broken up. The party was said to have equal respect among Serbs and Muslims." However, he was in Karadzic's way "who had to remove the opponent."

According to the soldier, "it can already be felt in Bosnia that people are fed up with the war." He says he would not be surprised if one of the so-called heroes organized a "counterforce against Karadzic's government" and an internal war was started among the Serbs in Bosnia, or even the whole Serbia, against Karadzic and Milosevic who are "best friends" and are only seemingly in disagreement. The "Serbs have increasing economic and military losses." Then to a question about the other side, he says that the situation of the Muslims has much improved. "They have plenty of food and fuel. Their weapons are also better. They receive much help from Asian Muslim countries through the UN peacekeepers." "Some of us have been across" pretending to be Serbs, or "as peacekeepers. They received uniforms and documents from the Russian UNPROFOR and went across to have a look around." He agrees with Lengyel's note that the Russian UN soldiers help the mercenaries.

The soldier goes on to mention some cases when they were given the task of simulating provocations against Serbs, including Milosevic. The interview concludes with the soldier's personal impressions of the fighting and his future plans.

SDP Leader Views Results of Belgrade Talks

AU0504145095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 5 Apr 95

[Report by Samir Huseinovic on Social Democratic Party of Bosnia-Herzegovina news conference in Sarajevo on 5 April—recorded]

[FBIS Translated Excerpt] At the news conference by the Social Democratic Party [SDP] of Bosnia-Herzegovina, Boro Bjelobrk, chairman of this party's bench, spoke

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about his visit to the so-called FRY [Federal Republic of Yugoslavia]. He had meetings with the representatives of the political parties of Serbia, Montenegro, and Vojvodina, and discussed with them the possible ways of solving the Bosnia-Herzegovina crisis.

In Belgrade, he had a meeting with the representatives of the Civic Alliance of Serbia, the Serbian Renewal Movement, New Democracy, and the Peasants' Party. In Podgorica, Boro Bjelobrk had talks with the officials of the Social Democratic Party of Montenegro, and the Liberal Alliance, while in Vojvodina he contacted with the Social Democrats and Reformists in Novi Sad.

An agreement was reached on the peaceful solution to the crisis, the recognition of Bosnia-Herzegovina, the return of refugees, and the punishment of war criminals. The initiative of the Liberal Alliance was accepted to initiate a debate in the Montenegrin Assembly on the recognition of Bosnia-Herzegovina, Boro Bjelobrk said. [passage omitted]

Gen Smith Expels Serb Liaison Officers

LD0604113495 Belgrade SRNA in Serbo-Croatian 1023 GMT 6 Apr 95

[Received via fax]

[FBIS Translated Text] Sarajevo, 6 Apr (SRNA)—On the orders of General Rupert Smith, the commander of the "Blue Helmets" in the former Bosnia-Herzegovina, liaison officers of the army of the Srpska republic, were yesterday thrown out of the Sector Southwest UNPROFOR [UN Protection Force] headquarters [HQ] in Gornji Vakuf, the information service of the main HQ of the Serb army has announced.

The Serb liaison officers Slavko Guzvic, Vladimir Runic, and Rade Kostic, who were appointed to the Sector Southwest UNPROFOR HQ following the agreement on the cessation of hostilities of 31 December 1994, were tied up and forcibly deported to Serb territory across the front lines at Kobiljaca on the Ilidza-Kiseljak road.

In a statement sent to SRNA the information service points out that the UNPROFOR HQ neither requested nor obtained the agreement of the army of the Srpska republic for this action.

Russia Charges Government for Gas Used by Serbs

AU0604095595 Zagreb VECERNJI LIST in Serbo-Croatian 6 Apr 95 p 8

[Article by "A.K.": "Bosnia-Herzegovina Pays for Serbia's Consumption"]

[FBIS Translated Text] Russia is demanding $94 million from the Government of the Bosnia-Herzegovina Republic/Federation for the deliveries of natural gas during the war. According to the bill presented this week, the said amount includes the consumption of gas on the occupied territory of Bosnia-Herzegovina under Karadzic's control, and the consumption of gas in Serbia. On top of that, the amount covers the extremely expensive costs of maintenance of the gas pipe through Hungary and Serbia.

The Bosnia-Herzegovina Government has assessed that $20 million worth of gas has been consumed on the free territory, and the government also accepts the $4 million debt for 1991. The remaining $70 million worth of gas has been consumed on the aggressor's side. Russia is now conditioning new deliveries of gas with the payment of $2 million in advance.

At the same time as the arrival of the bill from Russia, Karadzic has asked Yasushi Akashi to provide him with 30,000 metric tons of fuel for the spring sowing. This amount of fuel is enough to sow 15,000 square kilometers of arable land, which is almost one third of the territory of Bosnia-Herzegovina. It is obvious that Karadzic needs more fuel for his tanks to continue his war effort.

Abdic: Western Bosnia Key to Crisis Solution

LD0604114495 Belgrade TANJUG Domestic Service in Serbo-Croatian 1052 GMT 6 Apr 95

[FBIS Translated Text] Velika Kladusa, 6 Apr (TANJUG)—Western Bosnia is the key to a solution for the crisis in the former Bosnia-Herzegovina, Fikret Abdic, president of Western Bosnia, told TANJUG.

According to Abdic, the Srpska republic, the Croat republic of Herceg-Bosna, Western Bosnia, and the rest of Bosnia should search for a solution to the crisis in the former Bosnia-Herzegovina.

"We believe that the Srpska republic, Herceg-Bosna, and Western Bosnia will find common ground easily, and Western Bosnia should seek a solution with 'the rest of Bosnia.'

"This is why it is important that Western Bosnia should have the constitutional and legal form of a republic, rather than a province, because the word province would point toward links with Alija's [Izetbegovic's] authorities, which no longer exist since Western Bosnia solves its problems completely independently," Abdic stressed. "We spent a long time explaining our idea and our option, then we spent a long time defending it with arms, but since 16 November we have been at war, so we cannot hold talks as we used to before," Abdic stressed.

Abdic expects the international community to recognize the situation on the ground and recognize Western Bosnia as an important player in the negotiations, because "we have been fighting for 20 months now and it is obvious that we were right."

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UN Warns of Threat of Large-Scale War

AU0604122795 Paris AFP in English 1200 GMT 6 Apr 95

[Report by Francis Curta: "Heavy Fighting Spreads to Northern Bosnia"]

[FBIS Transcribed Excerpt] Sarajevo, April 6 (AFP)—Heavy fighting Thursday [6 April] spread from the northeast to northern Bosnia threatening large-scale war, the UN Protection Force (UNPROFOR) said here.

Both Moslem-led government and Serb forces are "straining" the current four-month truce "to the limit" and their "isolated and relatively-localized offensives and counter-offensives could materialize into large-scale war," UNPROFOR spokesman Alexander Ivanko said here. [passage omitted]

Government forces have now surrounded the 900-meter-high Stolice peak, east of Tuzla, where the Serbs are holding a television and communications relay centre, vital for their radio links between the eastern and western parts of the 70 percent of Bosnia they control, UNPROFOR said. Bosnian Serb radio said Bosnian infantry Thursday morning launched an hour long assault on Stolice which was repulsed.

Last month, a successful government push in mountains west of Travnik, in central Bosnia, allowed them to capture another television relay tower while positioning themselves for a possible drive on Jajce. "Reports from the ground prove that the warring parties are using the current mild weather for stepping up military activities," Ivanko said. [passage omitted]

UN Bosnia Force commander, General Rupert Smith, and UN civil affairs chief Enrique Aguilar were to brief UN special envoy Yasushi Akashi Thursday in Zagreb on their talks here with the warring parties. On efforts to extend the current truce beyond May 1 "no substantial progress was achieved with either of the parties," Ivanko reported, following separate talks between the UN command here and Bosnian and Bosnian Serb leaders on Wednesday. [passage omitted] Smith Wednesday also protested Serb shelling of the UN-declared Bihac town safe area. But on Thursday morning, another six shells landed inside the Bihac safe-area, causing no damage, UNPROFOR reported here. [passage omitted]

Report on Living Conditions in Ilidza

95BA0202B Split BIH EKSKLUZIV in Serbo-Croatian 10 Mar 95 p 7

[Article by O. Haveric: "Only Five Muslims Left"]

[FBIS Translated Text] It is not easy to get the right information about life behind the "iron curtain of the occupation authorities" of the criminal Radovan Karadzic. On rare occasions, something is learned from foreign journalists, but even what they say is usually superficial and deceptive. Unfortunately, there are few authentic eyewitness accounts.

The other day, BIH EKSKLUZIV had an occasion to talk to a native of Ilidza who after three years of difficult life had been forced to leave his native city and seek his fortune as a refugee. His story is more than gloomy.

At this point only five Muslims are left living in Ilidza. These are people in mixed marriages who do not intend to change their residence regardless of the torture from the newly arrived Serbs to which they are exposed. As a matter of fact, in Ilidza there are hardly any longer any "autochthonous" Serbian inhabitants, that is, Serbs who lived here before the aggression against Bosnia-Herzegovina. They also fled before the onslaught of the rural settlers who moved in from Romanija and the valley of the Bosna River.

Some 90 Croats, mainly old settlers who frequently have been ordered out to dig trenches on the front line, are left in the opstina, which is a suburb of Sarajevo.

"The city is very well supplied, above all because there are daily connections with Kiseljak," our informant said. "Under an agreement between the opstina authorities of Ilidza and Kiseljak, crossing the border at Kobiljaca is tacitly allowed to five passenger cars a day, but at least 100 people from Ilidza get supplies in Kiseljak every day by traveling a roundabout route!"

Certainly, trade between Ilidza and Kiseljak was never interrupted, and the smuggling channels travel those roads for all the goods that are scarce, including gasoline!

The war is almost not felt in Ilidza. The only buildings destroyed are those closest to Sokolovica Kolonija, while certain parts, such as the settlements Luzani and Pejton, are almost untouched. As to facilities in the economy, in addition to the Coca-Cola plant in Blazuje, the carpet factory is also going full steam, but instead of rugs its only product is bags to be filled with sand!

Even before the "blue roads" were open to traffic, Ilidza had daily bus connections to Belgrade, and the route went via Dobrasevici, Vogosca, and the new road, which comes out somewhere on the road between Pale and Belgrade.

New cemeteries have been opened even in Ilidza, and the lush vegetation has almost been destroyed. The spring from which the Bosna originates is worse than neglected, and the population has been deprived of hope. Only the war profiteers are content....

Butrus-Ghali: UNPROFOR To Remain

95BA0202A Split BIH EKSKLUZIV in Serbo-Croatian 10 Mar 95 p 2

[Interview with Butrus Butrus-Ghali, UN secretary general, by Branko Bucalo in Vienna; date not given: "I Am Staying Until There Is Peace"]

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[FBIS Translated Text] [Bucalo] What has happened in UN policy concerning Bosnia in the last two months?

[Butrus-Ghali] Why in the last two months particularly?

That is how our exclusive interview began with Mr. Butrus Butrus-Ghali in the building of the United Nations in Vienna. At first he consented to answer "only two questions," but he changed his mind after he heard some information about our newspaper from his news representative, Mr. Jack Thurmond.

[Bucalo] Because at that time, after you returned from Sarajevo, you declared that the entire process of commitment of the forces of UNPROFOR [UN Protection Forces] in Bosnia-Herzegovina was "under a magnifying glass," as you put it at the time. Perhaps your opinion was affected by your welcome in Sarajevo....

[Butrus-Ghali] Ah, that welcome! (Laughs.) They insulted me like an opera singer who had not met the public's high standards on a particular evening. Some people even threw trash on me, but I understand that. It also happened to me in Mogadishu, in Somalia. Yes, and in Cambodia as well. That is why I would like to say that all elements of the population are not at every point enthusiastic about the policy of the United Nations, but here it is a question of the UNPROFOR. Aside from that, when I was in Sarajevo the situation around Bihac became very complicated, and that did not help to build my reputation as the representative of the United Nations.

A Historic Job

[Bucalo] You said that the United Nations would find a possibility for settling the conflict, as you referred to it, in the Balkans. Is that opportunity already being sought out, and of what does it consist? Are there bodies working on that? Are there any deadlines for communicating this to the public?

[Butrus-Ghali] Those are too many questions wrapped up into one. First, I would like to mention once again that the United Nations is not to blame if people curse it in some places. Many people like to overlook two facts: first, what would happen without it in a particular spot, and second, the initial mandate of the UN forces in a particular area is lost from view. The job that the UNPROFOR is doing is actually so large as to be historic, and history will confirm that. Look what is happening in the field, as I like to put it: Our forces are cursing both the aggressors and the victims, both the so-called victors and the so-called vanquished. What does that mean? It means that neither of them is accepting what they accepted at the beginning, and that is the UN policy toward those areas. If, as time passes, policy in the field changes, that does not mean that a change ensues in the policy and position of the United Nations as envisaged in resolutions of the Security Council.

[Bucalo] Nevertheless, the resolutions concerning Bosnia-Herzegovina and concerning the situation in the former Yugoslavia were adopted almost one after the other, but Resolution 762 came to nothing, 769 came to nothing, and 871—nothing. People who have nothing to eat and, in addition, have been driven from their homes, are entitled to some cynicism at least.

[Butrus-Ghali] Yes, yes, but why did you not add Resolution 820, and then 821, and then 855? All those resolutions are directed in their spirit against conquerors, against aggressors, and a value should be put on that spirit of theirs. At some point they will be carried out, and some are being carried out. Time will not cancel them, and that is the main thing. Which means that there is a constructive spirit in the position of the United Nations.

[Bucalo] If we translated that into simpler language, especially into the language of people who are refugees and persons driven from their homes, does that mean that the United Nations is guaranteeing their return to their homes and resolution of a number of questions of their daily life?

[Butrus-Ghali] You might put it that way. The United Nations stands behind its decisions, but it cannot impose them by waging war.

Continuation of Negotiations

[Bucalo] There is so much talk about the shady actions and affairs of members of the UNPROFOR, but almost nothing is known about their disciplinary or criminal prosecution. We have just received reports from Srebrenica, which has been under siege for three years now, and the reports say that the Blue Helmets are demanding as much as 6,000 German marks [DM] to allow civilians to leave the city. The situation is the same in certain other cities under siege. That kind of behavior on the part of the UNPROFOR certainly does not create sympathy for those detachments of the United Nations.

[Butrus-Ghali] I know nothing about that, but I will keep it in mind. You know, all kinds of things are being said, but when you make a thorough check, what is so emphatically stated to be the truth begins to waver. Incidentally, as far as I know, disciplinary proceedings are now being conducted against eight members of the UNPROFOR, which is negligibly small in view of the fact that these are people from different countries in the world, different cultures, and a differing level of personal intellectual and moral hygiene.

[Bucalo] There are more and more frequent stories about UNPROFOR concessions to the Bosnian Serbs, and to this we should add the failure of President Demirel's airplane to land in Sarajevo. Is the UNPROFOR really unable to impose behavior standards on the Bosnian Serbs around the airport? Was it not possible to threaten them in other ways painful to them aside from military operations?

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[Butrus-Ghali] I was surprised that you did not ask me earlier about Demirel's airplane. But the UNPROFOR is not at all to blame for that. Every possible analysis was done concerning the landing and takeoff of that airplane, computer simulations were made of that event and possible events that would follow, and a conclusion was drawn—and analyses were done at NATO, which is almost not written about, I do not know why, to the effect that that flight was dangerous and the downing of that plane could cause an escalation of the war on a scale unprecedented up to now. I am convinced that His Excellency Demirel realized that.

[Bucalo] You have made a declaration that the United Nations is seeking a solution for "all of Yugoslavia." I believe that when I return to Zagreb I will encounter criticism of that position of yours, because what does "all of Yugoslavia" mean when that geopolitical concept no longer exists?

[Butrus-Ghali] I did not mean to insult the independence of the various countries in the Balkans, but I spoke about Yugoslavia as a term that is easiest for the world to understand. Our three commissions within the United Nations, parallel to the work of the Contact Group, are working almost day and night preparing solutions for various points at issue on the space of the former Yugoslavia, but all of that will be in keeping with the 11 resolutions of the UN Security Council concerned with this region. The negotiations must be continued, concessions to one extent or another must be forthcoming from all the parties, there will be criticism, but we anticipate it, and it would be foolish for it to surprise us.

[Bucalo] Nevertheless, when will we be hearing of any results from the work of those "commissions"?

[Butrus-Ghali] Soon, very soon. Those are experts who are in constant contact with many governments, and our plan, the plans of the United Nations, will not be a bomb along the road of reflection of those governments that are already involved in resolving the crisis in the former Yugoslavia.

Slowed Withdrawal

[Bucalo] Are the Blue Helmets leaving Bosnia-Herzegovina and Croatia?

[Butrus-Ghali] No, I do not think so. We have slowed down the plan for withdrawal together with NATO. I believe that beginning on 1 April we will continue the effort in a somewhat different way, perhaps the character of what our units do will change, but we do not foresee their rapid withdrawal. As for Bosnia, the UNPROFOR is remaining there for the present, and I can tell you sincerely, and you can write it down, that we will probably remain in Bosnia until peace is concluded, and perhaps even longer.

[Bucalo] Why is the UNHCR [UN High Commissioner for Refugees] paying the local Bosnian Serb authorities DM30 for every displaced person, Muslim or Croat, from certain occupied regions?

[Butrus-Ghali] I am not aware of that practice, but I do know that certain administrative costs involved in movement are paid.

[Bucalo] Resettlement is one thing, and being driven out is altogether different.

[Butrus-Ghali] I agree with you. However, I want to mention that the United Nations will succeed in its plan to bring about peace for Croatia and Bosnia-Herzegovina. We need a bit more patience, and I assure you that there will nevertheless soon be an end to the military operations in Bosnia, after the expiration of the cessation of hostilities. Continuation of negotiations follows that, and from now on the international community will be much stricter.

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Martic: UN Border Controls 'Out of the Question'

AU0604095495 Knin Srpski Radio Krajina Network in Serbo-Croatian 2000 GMT 5 Apr 95

[Interview with Krajina Serb leader Milan Martic by an unidentified correspondent on 5 April; place not given—recorded]

[FBIS Translated Text] [Martic] The UN Security Council has passed Resolution No. 981 on extending the mandate of the peace forces in the RSK [republic of Serbian Krajina] and Croatia. The decision was preceded by lengthy, exhausting consultations, during which we presented our views to Mr. Thorvald Stoltenberg, the special envoy of the UN secretary general.

We were adamant about the need to preserve the continuity of the present mandate of the peace forces, since the presence of UNPROFOR [UN Protection Force] in the past resulted in a cessation of hostilities and the cease-fire agreement and has initiated negotiations on economic relations. Our views on extending the mandate of the peace forces were based exclusively on our desire to continue the peace process under the terms that would be equally acceptable to both the RSK and Croatia. However, having passed Resolution 981, the UN Security Council seems to have ignored that concern of ours and rewarded the policy of pressure and ultimata that the Croatian side uses all the time.

Let me remind you that, by consenting to open the highway and oil pipeline, the RSK has greatly contributed to affirming a peaceful policy, at times even at the expense of its own interests.

On the other hand, Croatia has done its best to discredit the present peace process. Even as we speak, regular units of the Croatian Army continue to attack border areas of the RSK on Mt. Dinara, in flagrant violation of the Zagreb cease-fire agreement.

[Correspondent] Mr. President, the Croatian aggression against the RSK is certainly a very important question, but let us get back to the UN Security Council Resolution.

[Martic] On the face of it, the Resolution brings nothing new, nothing that was not contained in previous resolutions. However, we find the political essence of the Resolution absolutely unacceptable and do not see how it could be implemented. Certain provisions of the Resolution impose a political solution that is diametrically opposed to the interests of the people in Krajina and nobody in Krajina will accept them. In other words, the Resolution is just another document that is not based upon facts and cannot be applied in practice.

[Correspondent] There has recently been much talk about operational elements of the Resolution's implementation. What do you expect from the forthcoming talks with international representatives?

[Martic] UN Security Council Resolution 981 does not contain operational elements for implementing the new mandate of the peace forces. They are supposed to be defined at consultations over the next 10 days. It is my sincere belief that the relevant international protagonists, the Security Council above all, will realize that they cannot impose on the RSK what we find unacceptable. Consequently, I expect that these talks with the UN representatives will result in them realizing that the new mandate cannot predetermine a political solution, as the Vance Plan also made very clear.

Furthermore, it is my opinion that, by lifting the sanctions imposed on the FRY [Federal Republic of Yugoslavia], the Security Council would improve the atmosphere of negotiations, of finding answers to stop the conflicts, and of preventing possible new wars in this region.

[Correspondent] To conclude this short interview, perhaps you could sum up everything concerning the people in the RSK. [sentence as heard] For instance, the Croatian side is still making threats.

[Martic] The RSK and its leadership are determined to pursue a peaceful option in solving the crisis. I believe that this orientation will bring about a result that will coincide with the interests of our people. There is no room for concern because, as I said many times before, we alone will decide about our future.

The state is strong enough to resist all threats, to maintain order and stability, and to control its borders where it is prepared to enforce nothing but its own laws. In other words, any control of borders between Serbian lands is out of the question!

[Correspondent] I thank you very much, Mr. President.

[Martic] Not at all.

SPS: Resolution Promotes 'Military Tension'

AU0504133695 Knin Srpski Radio Krajina Network in Serbo-Croatian 2000 GMT 3 Mar 95

[FBIS Translated Text] In response to the UN Security Council Resolution No. 981, the Serbian Socialist Party [SPS] strongly protests that this document drawn up by the international community puts the Krajina Serbs into an utterly unfavorable position in relation to the Croats in the Republic of Croatia with regard to the final resolution of controversial issues between the two countries, emphasizes today's statement by the SPS. The resolution goes against the basic provisions of the Vance Plan as the basic document and a starting point for further negotiations. Instead of those provisions, the resolution introduces new methods for imposing ready-made solutions which violate the basic principle—the right of a nation to self-determination. According to the SPS, Resolution 981 allows for Croatia's demands for the reorganization of UNPROFOR [UN Protection

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Force] into UNCRO [UN Confidence Restoration Operation in Croatia], in a way that changes the essence of the mandate, i.e. it imposes a political solution that treats Krajina as a solely internal problem of Croatia. The resolution could deliver a severe blow to peace; it is a dangerous plan that could return the whole process back to square one. In other words, it provides the basis for creating military tension, states the SPS.

SDS 'Vehemently' Rejects UN Resolution 981

AU0504125295

[FBIS Editorial Report] Knin Srpski Radio Krajina Network in Serbo-Croatian at 2000 GMT on 3 March carries in its regular 35-minute newscast two items describing a violent backlash by members of the Serbian Democratic Party [SDS] in Benkovac and Knin provoked by UN Security Council Resolution No. 981.

The Benkovac branch of the SDS describes the resolution as "a political act unacceptable to the Serbs in the republic of Serbian Krajina [RSK]." The Benkovac democrats "vehemently oppose the deployment of UN forces between the RSK and the Srpska republic [RS], as well as between the RSK and the FRY, and say that UN forces should be deployed along the separation line." The statement by the Benkovac SDS also demands that all Serbs be united in a unified Serb country, with a unified Serb defense.

The Knin branch of the SDS issues a statement that the UNSC Resolution No. 981 abolishes the Vance Plan, that "Yugoslavia will no longer act as a mediator, which meant that, in the event that Croatia committed any aggression against Krajina, Yugoslavia would be obliged to protect Krajina." The statement also says that UNCRO [UN Confidence Restoration Operation in Croatia] would be acting as an occupier of the RSK and that "Martic has a historic responsibility to prevent this tragedy from happening" and to prevent Serbs from being expelled from the RSK. The statement ends: "It is high time that the RSK and the RS were united."

Granic Disagrees With Points From Z-4 Plan

LD0504214495 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 5 Apr 95

[FBIS Translated Text] [Announcer] Mate Granic [foreign minister] spoke in Osijek this evening about the current political situation and the role of the new peace forces in Croatia. Sanja Racic has a report.

[Racic] Among other things, Mate Granic told officials, members of the Croatian Democratic Union [HDZ], and citizens of Osijek that Resolution 981 was the strongest document the Security Council had passed. He also stressed:

[Begin Granic recording] We disagree with the length of the reintegration process, especially for eastern Slavonia and Baranja. We disagree with the mechanisms of international supervision [nadzor]; and we disagree with the level of autonomy, because under Z-4, it would create a state within a state. However, we are ready for talks the moment Croatian authorities are in control [kontrolirati] of Croatian borders. It is not difficult to negotiate a level of local autonomy for 185,000 people.

Ahead of us we have a process of intensive negotiations with the international community and then with the Croatian Serbs and Belgrade. The aim is to send a clear signal, a very clear signal to the Croatian Serbs that they can and should solve all their problems within the Republic of Croatia. [end recording]

[Racic] According to Granic, the guarantee for a peaceful reintegration of the occupied areas is Croatia's economic, military, and diplomatic strength.

Granic Signs Accord on Minorities With Hungary

LD0504120295 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 5 Apr 95

[FBIS Translated Text] Croatian Foreign Minister Mate Granic today signed an agreement in Osijek with his Hungarian opposite, Laszlo Kovacs, on reciprocal protection for minorities. Here is a report from Osijek by Sanja Racic:

[Racic] Granic speaks about the significance of the agreement:

[Begin Granic recording] This is the first interstate agreement on the protection of minorities that Croatia has signed with Hungary, and we signed it in Osijek. There are several reasons why we signed it here. We sought a town near the border, so we proposed Osijek. There is a significant Hungarian minority living here which enjoys all rights and which, in practical terms, is a true bridge of cooperation between Croatia and Hungary. And this is a characteristic of Central Europe—in Central Europe, minorities can only be bridges of cooperation. [end recording]

[Racic] Talks are still going on in Osijek about the scope for cooperation between the two states. Prior to meeting the Hungarian foreign minister, Mate Granic had talks with representatives of Osijek and Baranja County about UN Resolution 981 and the peaceful reintegration of the Croatian occupied areas; he made the following statement in this respect:

[Begin Granic recording] This resolution is a political resolution, not an operational one. Intensive negotiations are currently being conducted at the level of the UN secretary general's envoys. They are going to report back to the Security Council in the final phase. We shall endeavor to obtain the best possible operational measures, particularly when it comes to control [kontrola] of the Croatian borders and border crossings. [end recording]

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[Racic] And, of course, also when it comes to the return of refugees, who must be given the best possible living conditions until they finally return home, Mate Granic concluded.

Economic Analysis of Z-4 Plan

95BA0202C Zagreb BANKA in Serbo-Croatian Mar 95 pp 25-29

[Article by Dr. Stjepan Zdunic: "Sovereignty Is Not Essentially Threatened"]

[FBIS Translated Text] The Z-4 document can be approached in two ways, one from the standpoint of formal law, from the standpoint of jurisdiction and the way economic decisions are made, and second, from the standpoint of the content of the document's provisions. With respect to content, the point of departure for the Croatian side must be to avoid a military conflict unconditionally. That approach presupposes incorporation of an appropriate method of achieving the sovereignty of the Croatian state on the occupied (disputed) area. This is a multidimensional and staged process, which, in addition to avoiding a military conflict, also includes as absolute priorities the prosperity of the people, economic and social progress, preservation of the demographic potential of the nationality, and other important developmental provisions at the present moment in Croatian history.

Serbian social and national priorities are also multidimensional. The project of achieving an expanded Serbia, which presupposes a splintering off of territory and expansion, is critical from the Croatian standpoint. But recent negotiations have shown that the other side also has priorities that coincide with Croatian priorities, and they are prosperity and economic benefits.

International negotiators took those Croatian and Serbian priorities as their point of departure when they defined the process of reintegration layer by layer: first, termination of military conflicts; second, an economic arrangement; and third, a political arrangement whose objective would be to reintegrate the UNPA [UN Protected Areas] territorially in some form.

The Z-4 document structures that entire region, just as it does the process of reintegration. The final content of reintegration is fragmented: At the conclusion of reintegration, the so-called krajina retains elements of territorial autonomy, while the other regions retain territorial autonomy only in the sense of a mechanism for exercising civil rights (written and spoken language, representation, proportional participation in political processes), while in their other dimensions they are completely integrated (administratively and economically).

Powers of the State and the Krajina

In order to establish what is really the extent and depth of economic autonomy, that is, the possible infringement of the economic sovereignty of the Croatian state, we need to analyze the economic content of the proposed document. Better put, we need to establish whether this is an autonomous economy of the state of Krajina or simply a kind of regional economy that is part of the unified Croatian economic space. Also, it is important to establish whether there are elements of encroachment on Croatia's economic sovereignty and its devaluation.

Taking the inductive approach, we will comment at the first step on the provisions of the proposed agreement on the basis of a priori and general criteria, and then in the form of a conclusion, taking as our point of departure the criteria of the function of central authorities (economic) in unified economic space, evaluate the actual extent of infringement of the Croatian state's economic sovereignty the proposed arrangement represents.

Article II, 1, Point 1, d, establishes the areas of the economic system and economic policy in the jurisdiction of the central Government of the Republic of Croatia [RH], "provided that Krajina is not treated less favorably than the other parts of Croatia." Those areas are these: international trade and the customs system, domestic trade over the borders of Krajina (exclusively transportation), finances, intellectual property, standards, communications, determination of the monetary unit, the mail, and environmental protection.

Because the content of those provisions and the delineation of authority with the "krajina authorities" are quite vague, specific content needs to be given to the various provisions in order to understand their scope. This, point by point, would signify the following:

1. The central Croatian authority regulates the system of international trade and trade policy including the tariff system, and that, for example, means the law on the foreign trade system, the customs law, the law on customs tariffs and the customs regime, and the law on the customs service. Foreign trade policy is absolutely in the jurisdiction of the central authorities, and that embraces international trade agreements, membership in the GATT and WTO [World Trade Organization], CEFTA, the customs regime (quotas, tariffs, rules governing customs clearance, customs surveillance), international payment agreements, and so forth.

The central authority regulates the financial system and financial policy, embracing the following: the law on the central bank, the law on the banking system, the law on the foreign exchange system, laws on monitoring operation of the banks, settlements within the country and abroad, the laws or system concerning insurance, reinsurance, the system of the financial market (exchanges, securities, commissions, controls, and so forth), and the tax system (but not in its entirety).

In the domain of financial policy, it is sufficient to mention the following: Monetary policy is absolutely in the jurisdiction of the central authority if what we have in mind is an economic system regulated by the market.

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That includes exchange rate policy (and protection), the policy concerning foreign exchange reserves, legal reserves, that is, the policy of stabilization and global development, the policy governing external borrowing, and so forth.

Money

Regulation of the monetary unit, which is additionally regulated by Article II, 3, attracts particular attention. This would appear to involve a high degree of autonomy of the so-called krajina in the monetary area. The matter basically comes down to bank notes and coins, which would have their own pictorial design, while everything else would be in the jurisdiction of the central bank. It can immediately be said that from the technical standpoint this is a pure monetary fiction, while from the political standpoint it is a "reprisal" against the Croats for naming their currency the kuna. Krajina, that is, in spite of naming its own currency unit, would be part of the unified financial or monetary system of the Croatian state. This is a case, then, of political spite!

The other provisions concerning economic relations are rather clear in their content, and there is no need to cover them separately.

To Whom Does Plitvice Belong?

Point II, 1, 2, runs down the content of economic relations that are in the jurisdiction of the Krajina government, and the most important are the following: housing affairs, the economy, fuel and energy, the local purpose of land and environmental protection, natural resources, social welfare, tourism, establishment of business firms, and taxation. The content of the category "taxation" is important (Point II, 4, 1); it provides that the turnover tax or value-added tax, the personal income tax, the corporate tax, and the social insurance tax come under local jurisdiction.

Interpretation of the content of these categories may be absolutely regional. That means that their content need not necessarily conflict with the content that the central authority gives to categories of the same name. There is an ambiguity in the economy, the fuel and power sector, natural resources, tourism, or establishment of business firms. The fuel and power sector, that is, has both local and global aspects: the electric power system is a unified system, rate setting is a component of unified policy, and it is obvious that Krajina could not generate the additional capital to finance development of its fuel and power system. It is likewise not very likely that citizens in Krajina would be better-suited if the old-age and health insurance system were confined to the local level, especially when it comes to commercial insurance.

The balanced budget is a separate matter. It is obvious that the budget and funds could not be balanced locally if citizens are to enjoy the standards of "social services" of the state as a whole. That applies to social insurance, health insurance, the schools, science, the social services, and so on.

The mention of tourism and natural resources is certainly motivated by the Plitvice Lake complex. That category, when it is linked to citizenship and the right of Krajina to link to Serbian structures ("states"), could infringe the sovereignty of the Croatian state, but it need not. This matter would certainly need precise regulation.

The category of the economy is quite unclear, and it is difficult to conclude whether it pertains to the planning of local development within the framework of the unified economic system or to the regulation of property rights, employment law, and so forth. It would be logical for it to say how the economy is subject to the unified economic space and system, which is a necessary implication of the powers intended for the central government under Point 2, 1. It could be said that the provisions are rather selectively and superficially dealt with, at least in this part.

International trade and business agreements, under Point II, 2, 1, can be entered into by the government of Krajina unless they contradict the general regulation of those matters, which is done by the central government. This is similar to the Alps-Adriatic agreements in the former Yugoslavia.

The content of Points II, 2, 2, and II, 2, 3, concerning "other international agreements" and "sending representatives to other states and international organizations," is rather controversial, and it is hard to argue that it does not infringe upon the sovereignty of the central authority.

The Role of the Separate Court

The economic sovereignty of any state comes down to regulating the foreign trade and customs system, the system of ownership, the financial system (including the monetary system), and the respective policies. The free movement of people, capital, goods, and services must be ensured within the country. If the autonomy of local authorities cannot destroy the unified nature of those systems, then we are talking about regional authorities or economies. An important question here is that of the influence of local political representatives in central legislative and executive bodies, which nevertheless comes down to the possibility or nonexistence of the veto. This is the question of whether the method of decisionmaking is by majority (democratic) or, on the other hand, federal and confederal, in which decisions can be blocked. According to the analysis of the content of the economic provisions of the Z-4 document that has been presented, the thesis that Croatian economic sovereignty is violated cannot be confirmed in principle.

It is nevertheless possible to arrive at the assessment that there are provisions defined unclearly so that they might be interpreted in a way that would threaten Croatian economic sovereignty. We are referring to those having to do with natural resources and tourism, those related to citizenship, and land use and urban planning, as it relates to citizenship. Certain aspects of the economy

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(possibly also the tax system) and ownership also belong here, which is not mentioned anywhere, but is related to citizenship. For example, the law on privatization could favor foreign nationals to a greater or lesser degree. On the basis of the category of dual citizenship, the Knin authorities could favor Serbs from Serbia with respect to ownership of attractive tourist attractions and natural resources. As to land use and urban planning, the system of administrative permits and the like could also favor one's own and dual citizens.

Like use could be made of the provision that the central authorities not adopt measures that discriminate against Krajina economic interests. The mechanism for protection against discrimination does not fit into the framework of political and administrative decisionmaking (as might be concluded from Article XII, 1, Establishment, Powers, and Procedures, Chapter XIII), but is in the jurisdiction of "a separate constitutional court for Krajina and the areas referred to in Section 2." That is to say that the Krajina authorities, dissatisfied with some economic decision in the form of a law or economic policy measure, may appeal to that court on an equal footing with the central Croatian authorities. The court has jurisdiction to resolve all disputes concerning the content of the agreement, including "all disputes pertaining to interpretation or implementation of all provisions of the Constitution of the RH, the Constitutional Law on Human Rights and Freedoms and Rights of National and Ethnic Communities or Minorities in the RH, or *any other law or legislative decree amended or supplemented consistent with this agreement or necessary to its implementation.*" (Emphasis supplied by the author)

The agreement, then, has not envisaged the blocking of decisionmaking in the regular representative and administrative bodies, and the delineation of jurisdiction with respect to content need not threaten the unity of economic space, but the proposed solution allows issue to be taken with any decision. The decision in dispute comes to the court for the final decision. The makeup or credibility of the court is important here. Its credibility is absolutely a matter of political judgment or attitude. The competency, method of decisionmaking, and makeup of a court could certainly rise to the level of a sovereignty issue. It is difficult to evaluate to what extent that court would be taken up with grievances. Experience in the former Yugoslavia indicates that this would depend on mutual political confidence, the objectivity of Krajina factors, whose election Croatian sovereignty could not affect, and such things. Every measure in the jurisdiction of central authorities that applies to the unified economic area could be interpreted in any regional center (zupanija) as discriminatory toward that area. That is in the nature of such decisions, and from the economic standpoint such a model of thinking did a great deal to help disintegration of the former Yugoslavia. Nevertheless, in the former Yugoslavia decisions could be blocked in political representative bodies, because it was a confederation. That is not the case with the Z-4, but contested decisions are basically turned over to international arbitration.

It can help here to see reintegration as a multidimensional, fragmented, and periodized process, along with the absolute principle of avoiding a military conflict. It can also help to realize that the process takes place within Croatian territorial sovereignty with respect to borders, that is, with international guarantee of those borders.

Hard interpretation of the Z-4 document from the standpoint of formal logic, by either the Serbian or Croatian side, will not increase the chances of peaceful reintegration. A view that takes as its point of departure the content of the proposed provisions and sees reintegration as a fragmented, periodized, and multidimensional process in which both sides need to participate can give Croatian policy better chances with international factors and make it possible to avoid a military conflict. But greater Croatian opportunities, of course, increase the likelihood that the Serbian side will reject or impede the negotiations concerning the proposed agreement.

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PCER Leader on Position of Romanies

AU0504200595 Skopje VECER in Macedonian 5 Apr 95 p 7

[Interview with PCER leader Faik Abdi by "M.J."; place and date not given: "The Greatest Rights, the Worst Treatment"]

[FBIS Translated Text] *The PCER's [Party for Full Emancipation of Romanies] top man assesses the events in Mala Recica connected with the so-called Tetovo University as one of the basic points of increasing tension in the state's interethnic relations. In [Faik] Abdi's opinion, the problem of the so-called university has not been solved yet, and there is great outrage particularly because it is referred to as the "so-called university." "However, we use the same term for the Serbian Krajina—that is, we call it the so-called, and act as if it did not exist, even though it is there."*

Treatment

[VECER] What is the position of the Romanies, and are you satisfied with it?

[Abdi] I must say that compared to the position of other nationalities, the Romanies' position in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is certainly the worst. However, at the same time, I am also aware—and I always stress this—that, compared to other nations in the world, the Romanies in Macedonia enjoy the greatest rights. I have stressed this more than once, particularly in discussions with foreign representatives that come here to talk to us about our rights and conditions for a civil life.

[VECER] You say that compared to other nationalities, the Romanies in Macedonia are the most endangered. Where do you find this discriminatory attitude by state authorities toward your nationality?

[Abdi] I voted for privatization and I am sure that this is the best way to quickly develop the Republic of Macedonia. Nevertheless, let me tell you that in this privatization process, unskilled workers will be fired, and we know that a great number of employed Romanies are unskilled. This means that help is necessary in this matter, especially in education. We are particularly interested in this, and I also think that it is in the state's interest as well. We consider this state to be our country, and we believe that the Romanies will be happy if Macedonia is happy.

Wealth

[VECER] You have said on several occasions that you are not satisfied with the elections, but you did not say that they were irregular, only that your party was not properly treated. Can you be more specific?

[Abdi] From the very outset, we said we supported the Alliance for Macedonia, but we were excluded from it. It seems there is a belief that we Romanies are not for Macedonia. In the first election round, we had independent candidates, and in the second round the Alliance asked the Romanies to vote for their candidates. This was not a problem, but it became evident that the Romanies' votes were important for the candidates for delegates, as well as for the presidential elections.

[VECER] As a member of parliament, you introduced two issues that agitated the public: the cases of the two families of Romanies in Titov Veles and Bitola claiming that Romanies are allegedly persecuted by Macedonians.

[Abdi] That is true. I am still waiting for an answer, after which I shall conclude my discussion and announce my position. However, I still think that no nation in this state should be treated as unwanted. I think that this structure represents a wealth of the state, and that all problems can be solved if we engage in dialogue. That is why the self-proclaimed president of—as we call it—the so-called Tetovo university irritated me when he called on Albanians to defend the "University," by which he threatened the peace in the Republic of Macedonia. I believe that if all of us sit down together, we can reach an agreement; and I am sure that no one in this country wants a war but, rather, peaceful and creative development.

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Kacin's Injuries May Occasion His Replacement

AU0504210495 Ljubljana DELO in Slovene 3 Apr 95 p 2

[Article by Vladimir Vodusek: "Does Kacin's Medical Condition Warrant His Replacement?"]

[FBIS Translated Excerpt] Ljubljana, 2 April—At its last session, the government appointed Minister Without Portfolio Bostjan Kovacic as the president of the Coordinating Committee for the Preparation of Celebrations for the Anniversary of the Victory Over Fascism. Before the next government session, he will draft the program of festivities. The above committee used to be chaired by Defense Minister Jelko Kacin, and the government decision, passed due to the nature of the injuries sustained by the defense minister in a traffic accident, has triggered a debate in certain circles about a possible reshuffle at the head of the Defense Ministry.

The defense minister's duties are being performed by First State Secretary Boris Znidarsic. Beside Znidarsic, there are another three state secretaries in the Defense Ministry, namely, Miran Bogataj, Gorazd Vidrih, and Bojan Suligoj. However, any possible replacement at the head of the Defense Ministry, if the current minister fails to return to duty within three months, should be sought within the circles of the Liberal Democracy.

In the hospital, the defense minister was officially visited by the supreme commander and president of the country, Milan Kucan, and unofficially, supposedly, also by Prime Minister Janez Drnovsek, however, the media did not report this visit. The fact that the accident occurred on Friday 24 March, that is, exactly on the anniversary of Drnovsek's proposal to the State Chamber for the dismissal of Former Defense Minister Janez Jansa and the appointment of Jelko Kacin as the new defense minister, is still tantalizing the public although the accident was, according to official information, caused by the minister himself by overtaking incorrectly. Another coincidence is perhaps also that, on Friday, the media carried a letter from the president of the state to the defense minister and that Defense Ministry Spokesman Mica Kotnik also resigned.

On Friday 24 March, Jelko Kacin was returning from the Defense Ministry's protocol building on Mt. Pokljuka, where, according to unofficial reports, a group of approximately 50 members of the military intelligence service and selected employees of the Ministry of Internal Affairs were assembled on the anniversary of the toppling of the former defense minister. Present on Mt. Pokljuka was also OVS [expansion unknown] Director Marjan Miklavcic and the defense minister's closest aides. They held a sports competition on Pokljuka and also handed out awards to mark the occasion. [passage omitted]

With a toast, the defense minister bid farewell to the company on Pokljuka at around 1600 [1400 GMT] and, in an approximately four-year old Nissan Primera, drove home toward Kranj. According to the early unofficial hints, the accident was caused by a driver of a vehicle who was forcing his right of way when overtaking. The investigation has shown that a white Fiat Uno was really overtaking before the defense minister, however, that it did not cause the crash.

It remains unexplained why the defense minister, while overtaking, drove to the left side of the road where the driver of a bus carrying Croatian passengers was also moving. Only Jelko Kacin knows the true version. According to the medical council, he is recovering well, despite three surgical operations and serious injuries. Beside an injury to the aorta, he also suffered a concussion, fractures of the upper arm, several ribs, and the left ankle, and injuries to the nose. Doctors do not mention the injury of the spine, that is, of a vertebrum, which he allegedly also sustained in the accident. The results—that is, the official version—of the blood tests for the possible presence of alcohol in the blood of the participants in the crash are also unknown. [passage omitted]

Drnovsek Presents 1995 Budget to Assembly

AU0504162795 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 5 Apr 95

[FBIS Translated Excerpt] The State Chamber today started an extraordinary session devoted to the presentation of this year's state budget. Matters became complicated at the very beginning when a group of 23 deputies demanded that the problems regarding the visibility of the signal of Radio and Television Koper in the Primorsko region and in Italy also be discussed. Sonja Znidarsic reports:

[Begin recording] [Znidarsic] After the initial problems, the budget document for 1995 was presented to the deputies by Prime Minister Dr. Janez Drnovsek. This officially opened a debate on the budget proposal in parliamentary commissions. In the introduction, the prime minister said he was pleased that the debate about the budget took place under the conditions of the currently very favorable economic trends. At the moment, Slovenia is one of the countries with the highest degree of economic activity [konjuktura] in Europe.

The economic policy that has had such a favorable response in the economy is, according to the prime minister, not merely a result of governmental and parliamentary decisions, but also a result of an agreement by numerous factors who all have their interests and powers and who must count on each other in accomplishing their goals.

Let us listen to Prime Minister Drnovsek and a part of his expose on the budget:

[Drnovsek] The budget, as the biggest and at the same time most definable part of the entire public financing, was proposed in the amount of approximately 510 billion Slovene tolars, with which the social partners within the social pact also agree. We formed the above

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scope of budget expenditure on the premise of approximately the same budget expenditure as last year, and we added some new, extraordinary obligations of the budget this year. The negotiations on the scope of the budget were protracted and strenuous within the government itself. The scope of the budget that we propose creates numerous problems for individual users. However, in the government procedure, we decided for an appropriate rationalization of classical budget expenses, and tried to propose as rational and as tolerable a budget as possible.

I expect that the debate in the State Chamber, and, of course, the decision on the budget, too, will follow these lines of rationality and tolerability of the budget expenditure as a part of the overall financial trends.

[Znidarsic] Prime Minister Drnovsek also devoted a few words to the social pact signed last week:

[Drnovsek] Following the protracted negotiations, with the social agreement signed last week, we agreed on appropriate, moderately restrictive goals in public financing and opted for an income policy that will allow us to accomplish economic and public financial goals. The signing of the social agreement is important for Slovenia from the viewpoint of the preservation of overall social stability. Relative social peace, relative political stability, together with the obvious economic results, have lately pushed Slovenia higher and higher in the international comparisons of economic success and profitability. [passage omitted]

Experts Assess Threat From Conflicts in Balkans

AU0504153695 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 5 Apr 95

[Report by Nadja Pengov]

[FBIS Translated Text] An important topic discussed by the members of the State Chamber commission for International Relations today was our country's strategy toward the resolution of the Balkan crisis and the attitude toward new countries that have emerged after the disintegration of Yugoslavia.

The situation in individual countries varies, Foreign Minister Thaler said, and for this reason they should not all be thrown into the same basket. In any case, peace is in our interest and we favor the observation of the internationally recognized borders, normal relations, and a gradual normalization of relations with Serbia and Montenegro, when the conditions for this exist.

As for relations with Croatia, Thaler said that there are open questions between the countries that are four years old, however, that ministers are meeting and searching for possibilities of nevertheless finalizing interstate agreements. He emphasized, however, that for as long as fundamental traits are lacking, it would make no sense to go to parliament at the present stage of the work.

As a part of the strategy for the resolution of the Balkan crisis, a Defense Ministry representative informed the deputies about Slovenia's security situation. He said that, in the case of military clashes in Croatia, the threat to Slovenia would be very high, as we are merely some 7 to 10 km away from the front line. According to the information available to the incumbent military services, also foreign ones, the situation is not exactly optimistic. Namely, all warring sides took advantage of the cease-fire. The Bosnia-Herzegovina Army did so, for example, for rearmament, the boosting of moral, and reorganization. Military hardware continues to be the advantage of Serbia, while the neighboring Croatia, for example, annually intends 4 billion German marks for the army and the police, which is between 40 and 50 percent of the state budget.

The assessment of the Defense Ministry is that all sides are preparing for a conflict, because everything is pointing to the situation being resolved with arms. These same assessments anticipate that major clashes will take place in the second half of the year.

So what would be the danger for our country in this case? The assessment is that our airspace would be endangered, stray missiles, too, would pose a danger, and we would have to count on an increased pressure from refugees. The Commission for International Relations will continue the debate on this subject on 7 April.

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Federal

Envoy Says Army Did Not Violate UN Zone

LD0504201695 Belgrade TANJUG in English 1913 GMT 5 Apr 95

[FBIS Transcribed Text] New York, April 5 (TANJUG)—Yugoslavia on Wednesday refuted Croatia's allegation that Yugoslav Army troops had intruded into the U.N.-protected Eastern Slavonia region.

The allegation is malicious and untrue, as evident from statements made by U.N. spokesmen Michael Williams in Zagreb and Fred Eckhard in New York, Yugoslavia's U.N. Ambassador Dragomir Djokic said in a letter to the U.N. secretary-general. Djokic said it was highly cynical and ironic of Croatian officials to accuse the U.N. Protection Force [UNPROFOR] of allowing the alleged intrusion to take place.

The ultimate aim of such allegations was to discredit the U.N. peace operation in the former Yugoslavia at a time when the Security Council was ruling on extending the U.N. peacekeepers' mandate, he said. The U.N.-protected region of Eastern Slavonia is part of the republic of Serb Krajina, proclaimed by Serbs in Croatia following Croatia's violent secession from the former Yugoslav Federation.

Croatia is actually trying to change the character of peace operations and impose its own solutions, said Djokic. Djokic also said that by falsely accusing Yugoslavia, Croatia was hoping to divert the attention of the international public from its own involvement in the Bosnian war and its troops' incursion into the U.N.-protected Prevlaka peninsula on the Adriatic coast. The disputed peninsula is situated at the entrance to the Bay of Kotor, on the border between Croatia and the Yugoslav republic of Montenegro.

This kind of behaviour by Croatian officials has become standard practice that directly undermines the peace process, unjustly discredits Yugoslavia's principled peace policy and deliberately pours oil on the flames of war in the former Yugoslavia, said Djokic.

UN Expresses Concern About Croatian Intrusions

LD0504173895 Belgrade TANJUG in English 1644 GMT 5 Apr 95

["Pool" item]

[FBIS Transcribed Text] Belgrade, April 5 (TANJUG)—A U.N spokesman in Belgrade expressed concern on Wednesday over joint operations by Croatian and Bosnian Croat troops and their incursion into a U.N.-Protected Area in Serb Krajina.

Spokesman Yuriy Chizhik told a press briefing that the U.N. force had in the past few days registered 246 violations of the March 1994 ceasefire between Croatia and Serb Krajina. Earlier this year, Croatia demanded a change in the mandate of the U.N. force and again threatened war on the republic of Serb Krajina, set up by the local Serbs in late 1991 after Croatia had launched a war of secession from the former Yugoslavia.

Chizhik said that consultations about the new mandate should be completed by April 21, when U.N. Secretary-General Butrus Butrus-Ghali should make a recommendation to the U.N. Security Council. U.N. mediator on the former Yugoslavia Thorvald Stoltenberg is in the process of negotiating with Croatian, Serb Krajina and Yugoslav officials about principles of implementing the new U.N. force mandate, said Chizhik. He said that, under the new mandate, U.N. troops would control the transport of military personnel and materiel and weapons on Serb Krajina borders.

Chizhik said that the U.N. forces in the former Yugoslavia would still have a single command, although each regional force—in the former Yugoslav republics of Croatia, Bosnia-Herzegovina and Macedonia [The Former Yugoslav Republic of Macedonia—FYROM]—would have its own civilian and military chiefs. He said that U.N. special envoy Yasushi Akashi would remain chief of operations for all three forces, with increased duties and responsibilities.

Chizhik said that the composition of the forces would be agreed upon in consultations with troop-contributing countries. On March 31, the U.N. Security Council passed Resolution 981 renewing the U.N. force's mandate in Croatia and the republic of Serb Krajina until Nov. 30 and changing its name from the U.N. Protection Force (UNPROFOR) to the U.N. Confidence Restoration Operation (UNCRO). Details of the operation will be regulated by a separate resolution, to be passed by end April.

RS, RSK Serbs Need Urgent Humanitarian Aid

LD0504192995 Belgrade TANJUG in English 1739 GMT 5 Apr 95

[FBIS Transcribed Text] Belgrade, April 5 (TANJUG)—The Srpska republic [RS] and the republic of Serb Krajina [RSK], Serb states in the territories of the former Yugoslav republics of Bosnia-Herzegovina and Croatia, need urgent humanitarian aid, Yugoslav Red Cross Secretary General Rade Dubajic told TANJUG on Wednesday.

Dubajic said that the situation was worst in the Knin region, the administrative centre of the republic of Serb Krajina, where humanitarian aid has not arrived for more than a month. The Serb states need food, clothes, footwear and medicine, Dubajic said.

There are 450,000 inhabitants and 130,000 refugees in the republic of Serb Krajina, Dubajic said in Belgrade on Tuesday on return from his five-day visit to the most threatened regions in the Srpska republic and the republic of Serb Krajina. Humanitarian aid convoys of the United Nations' High Commissariat for Refugees

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(UNCHR) have been stopped the past few weeks by inter-Muslim fighting over Bihac (western Bosnia, bordering with Krajina).

Food reserves are running out, as 10,000 people get food in soup kitchens, Dubajic said. The situation is also very difficult in the town of Knezevo, at the foot of Mt Vlasic in central Bosnia, where about 1,700 villagers have escaped from the Muslim offensive.

Most of the escaped are elderly villagers who took with them everything they own—a few thousands of cows and sheep, Duoajic said. 'The villagers are accommodated in schools and other facilities. They lack food, water, warm clothes and footwear. Snow is more than a metre high, and it makes the delivery of humanitarian aid difficult,' Dubajic said.

A small field hospital in Knezevo operates mainly thanks to assistance by the International Red Cross Committee, the UNCHR and the Medecines sans Frontieres organization.

Housing Problems in VJ Army

95BA0202E Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 6 Mar 95 p 21

[Article by B. Ostojic: "The Army: Twenty Long Years"]

[FBIS Translated Text] So far about 85 percent of the slightly more than 74,000 military housing units on the territory of the present Yugoslavia have been purchased. At the moment, the Army of Yugoslavia [VJ] owns 10,422 units, mainly the smaller ones that did not pass into private hands almost exclusively because they are occupied by those who under present military regulations are entitled to obtain larger housing. In the large-scale Operation Purchase, the Army has fared like most other owners of socially owned units: It has been left without its property and at the same time compelled to shrug its shoulders in response to the question of where the money is from the sale (just as others have done).

That money does not exist for the simple reason that the units were purchased at pitifully low prices in a period of high inflation, when even the small proceeds realized from the sale of housing could not be preserved from ruinous devaluation. Thus, potentially the largest source of money to finance new military housing disappeared (spontaneously?). The laws on federal property and on financing the FRY [Federal Republic of Yugoslavia], passed during the period when the purchase policy was being carried out, prohibited the use of budget funds for that purpose, except in the case of official housing units, which could neither be leased nor purchased. Under the Law on Financing the Program for Physical Support of Transformation of the Army of Yugoslavia Over the Period From 1993 to 1995, 2,000 such (official) housing units were to be built during the period to which the law applies. Only 18.8 million dinars could be appropriated (i.e., planned) from this year's military budget to finance that housing; that is, only slightly more than 1 percent of the budget and only 10 percent of the funds necessary for the stated 2,000 housing units. So, the most the VJ could hope for was that some 30 percent of the plan for construction of 2,000 official housing units would be achieved after that law expired. This year's budget money will "cover" a portion of the work to complete the 1,950 military housing units that have been started. Nearly 35 million dinars were committed to that in this year's military budget, amounting to about 25 percent of 133 million, the amount calculated to be necessary to complete the stated number of units already started. The possibility of nevertheless spending from the budget for units that are not official obviously follows from the fact that construction of the stated 1,950 units began before adoption of the Law on Federal Property.

Needs...

The housing needs of the Army of Yugoslavia at the moment, however, are altogether out of line with the volume of construction of military housing that for the present can be considered certain. The number of active officers and civilian employees in the Army of Yugoslavia who "have no housing solution whatsoever" has climbed to about 18,000 in the last three years. Following the disintegration of the former Yugoslavia, 13,000 members of the former JNA [Yugoslav People's Army] (and the present VJ) were "resettled" to the FRY, and with members of their families they represent an "army" of about 40,000 homeless people. We should add to this number about 5,000 military pensioners from the territory of the republics that seceded, people who were forced to leave "their" (i.e., military) housing and who are also being treated as an obligation of the Army of Yugoslavia. The share of the Army in the costs of housing over 10,000 officers and "compensation for separation from family" is today about 2.8 million dinars a month taken out of the military budget. In the Army of Yugoslavia, they like best to illustrate the dramatic nature of the housing problem with the calculation that the member of the VJ who "applies" today for housing can expect to move in in no less than 20 years—and that would be under the condition, not very likely for the present, that at least 1,000 new housing units are built every year. For the sake of comparison, at one time in the former JNA the wait for a "roof over one's head" was never longer than six years....

...and Plans

That is why a project was recently drawn up in the General Staff of the Army of Yugoslavia and submitted to the government; its realization would make it possible to build 10,000 housing units to meet the needs of the Army of Yugoslavia over the next five years, that is, to build 2,000 housing units a year, of course without additional burdens on the budget. The basis of the proposed project is formation of a separate housing investment fund. The Federation, as the present titleholder of the property used by the Army of Yugoslavia, would transfer the right of ownership to the fund, and

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the Army would transfer the right to use that property. The fund would be set up as a joint-stock company in which the possibility is "allowed" (or more accurately: expected) that banks, construction firms, utility organizations, and so forth, would come forth as founders. The material basis, i.e., initial capital, of the company would mainly be some of the property, i.e., real estate, that the Army of Yugoslavia and the Defense Ministry now possess. That is, there is good reason to suppose that both the Army and the ministry can renounce some of what they are using without any consequences whatsoever to the functionality of the defense system.

Land, buildings, office space, garages, and so forth, that are ceded to the fund as "surplus" would either be sold on the market or leased under market conditions. The approximate calculation at present is that about 40 percent of that surplus might be sold immediately. It is not altogether clear what basis there is for arriving at that percentage, because the people in the General Staff of the Army of Yugoslavia and in the Defense Ministry are right now in the process of "rapidly combing through lists of real estate." Because this is nevertheless being done, it is somewhat clearer that problems of a formal nature—which concern above all amendment of the laws mentioned concerning federal property and financing of the FRY, and also adoption of a specific law establishing the housing investment fund—are not anticipated.

Serbia

SPO Questions Milosevic's 'Secret' Diplomacy

AU0504162395 Belgrade NASA BORBA in Serbo-Croatian 5 Apr 95 p 2

[Article by S.P.: "Why Is Milosevic Negotiating Secretly?"]

[FBIS Translated Text] Belgrade—Since the president of Serbia continues the practice of holding secret negotiations with the international community as if the parliament and the government did not exist, the deputies of the Serbian Renewal Movement [SPO] plan to propose that the agenda of the next session of the Federal parliament include a discussion on the country's foreign policy. This was announced by SPO spokesman Ivan Kovacevic at a regular news conference yesterday.

"We demand that Zoran Lilic, Slobodan Milosevic, Momir Bulatovic, and Radoje Kontic explain the policy that they are conducting. This is the least they owe to the citizens. They are obliged to do that according to the constitution. A thorough discussion could be held even behind closed doors if there are reasons for that," Kovacevic said.

"With this request, we are not questioning Slobodan Milosevic's policy that has been peace-oriented in the last 10 months," the SPO spokesman stressed. What the SPO disagrees with is the way in which the policy is being conducted, the way that is characterized by the president's willfulness, the violation of the constitution, the absence of dialogue with political parties, and the lack of information to citizens and deputies, Kovacevic concluded.

RSK Health Minister Appeals for Medical Aid

AU0504152095 Belgrade NASA BORBA in Serbo-Croatian 5 Apr 95 p 16

[Article by Z. Kosanovic: "Krajina Needs Psychiatrists"]

[FBIS Translated Text] Nis—Speaking in Nis yesterday, RSK [republic of Serbian Krajina] Health Minister Dr. Stevan Djuric stated that Krajina needs psychiatrists. He explained that all mental patients of Serb nationality have been expelled from hospitals in Croatia and that the majority of them are now in the RSK. "In addition to them, there are many people who are suffering psychological traumas caused by war atmosphere, the more-war-than-peace situation, frequent mobilization, and attacks by the Croatian Army. They need psychiatric treatment."

Djuric said that the position of the health service in the RSK is extremely grave. In addition to the problem of being short-staffed, the material situation is also very bad. "In a country without an economy, there is no revenue, that is, there are no material resources for the health service," Djuric stressed. He asked Bata Tiodorovic, director of the Nis Clinical Center, for help in manpower. "In last three months alone, we had over 1,000 seriously wounded cases, while the medical staff has been reduced to the minimum," Djuric said.

Kosovo

Hurd, Hogg Pledge To Help Resolve Violence

AU0504154495 Tirana TVSH Television Network in Albanian 1800 GMT 4 Apr 95

[FBIS Translated Text] Kosovar President Ibrahim Rugova, who is London on a working visit, met with British Foreign Minister Douglas Hurd and State Minister Douglas Hogg at the Foreign and Commonwealth Office today.

At the meeting, in which Kosovar Prime Minister Bujar Bukoshi also attended, President Rugova briefed the ministers on the current situation in Kosova, which continues to be grave due to the Serbian violence and repression.

President Rugova acquainted the high-ranking British officials with the Albanian views on resolving the Kosova issue. Rugova said that the option for an independent and neutral Kosova, open to Albania and Serbia, is an expression of the Kosovar Albanians' political determination. This option represents a compromise rather than the demand to unify with Albania, Rugova stated.

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Dr. Rugova demanded that pressure be exerted on Belgrade to stop the violence in Kosova and resume dialogue in the presence of an international mediator.

British State Minister Hogg expressed his country's concern over the situation in Kosova. Although the international community is concentrating more on the crisis in Bosnia and Croatia, the Kosova issue presents one of the prominent problems in the region and deserves special attention, Hogg said.

British Foreign Minister Hurd pledged that Great Britain will expert pressure on Belgrade to resume dialogue with the representatives of Kosova in order to resolve this issue.

British Foreign Minister Hurd and State Minister Hogg reiterated that Serbia will not be allowed to return to the international community without resolving the Kosova issue and initiating a constructive dialogue with Albania.

Rugova Welcomes Mass Demonstrations Abroad

AU0404115095 Tirana RILINDJA in Albanian 1 Apr 95 pp 1, 3

[Article by Behxhet Haliti on news conference given by Dr. Ibrahim Rugova, president of the Republic of Kosovo, in Pristina on 31 March: "Gatherings of Albanians Abroad: Magnificent and Dignified"]

[FBIS Translated Text] Dr. Ibrahim Rugova, president of the Republic of Kosova, opened yesterday's regular news conference by analyzing the mass demonstrations of Albanians being held in Europe, the United States, Canada, and Australia. We ask the international community to exert greater pressure on Serbia with the aim of stopping the violence and repression in Kosova, and we ask for international defense and a greater international presence in Kosova. The gatherings of Albanians throughout the world have been magnificent and conducted with determination, dignity, and a high level of organization. Besides their international impact, they have also made a great impression in Kosova and throughout the Albanian world.

The Main Demand of the Demonstrations—Recognition of the Independence of Kosova

We welcome the demonstrations in many European cities, Australia, and Canada, organized by the Kosova Democratic League [LDK], and the different Albanian associations, groups, and clubs we have abroad. We can call them magnificent, especially those in Bonn, Berne, and Washington, where thousands of Albanians demonstrated for the recognition of the independence of the Republic of Kosova. These demonstrations also involved many politicians, members of parliament, intellectuals, and charity workers of different countries who have visited Kosova and are committed to the cause of Kosova and its independence. We are grateful for this. They also supported the message of these demonstrations, which called for Albanian self-determination and condemned the violence and repression in Kosova. The Albanians' demonstrations throughout the world also attracted greater publicity in the mass media, which noted the main import of the demonstrations, the demand for the independence and self-determination of the Albanians in Kosova. Many members of the governments of the countries where these demonstrations were held also sent telegrams to the gatherings.

We express particular satisfaction, Dr. Rugova went on to say, that these demonstrations were held with determination, dignity, and a level of organization that testifies to the capable organization of our diaspora and the level of culture of the people in these countries. We, therefore, once again thank these people for what they have done with their help for Kosova and their affirmation of the cause of Kosova.

Violence Against Everything Albanian

The president of the Republic of Kosova went on to comment on the serious repression in Kosova, and said that we are compelled to repeat yet again at this news conference that the repression has been very severe and extensive in the last week. Dozens and families and hundreds of citizens were searched on the pretext of looking for weapons. There were 31 large-scale raids in 23 communes and dozens of Kosova villages. Thus, all citizens of Kosova felt this violence. For instance, the village of Gerikoc near Suhareke is still sealed off and under police guard. The repression concentrated principally on Kline, Kamenice, and Rahovec and was directed against political activists, especially those of the LDK and the Peasants Party, and charity workers. Isa Kastrati, chairman of the LDK's Third Branch in Prishtina, was taken in several times by the police. Chairmen of subbranches were also subjected to repression, as in the cases of Kemajl Belaj from the district of Kacanik; Qazim Loxhaj from Istog; Rrustem Januzaj, also from Istog; Ahmet Ahmeti from near Shtime; Prek Palushi from Krusheva e Madhe; Hilmi Gashi from Prizren; Fejze Gashi from Mramor near Prishtina; Jonuz Seferaj from Rakosh near Istog; Sabri Aliu from Balaj near Ferizaj [Urosevac]; and Muhamet Geci of the Peasants' Party from Llaushe near Skenderaj [Srbica]. Many of these people were detained by the police and maltreated. It is evident that in recent months the repression has been stepped up against activists and LDK officials in the field. Dr. Rugova remarked that a large number of former communal officials in Gjilan have been arrested, including Bejtullah Ismajli, deputy chairman of the Communal Council; Beqir Hoxha, local government chairman; Ukshin Zajmi, Prishtina Radio-Television journalist; Halim Halimi, director of radio Gjilan, etc. The assault on the journalist Gani Kosumi by a Serbian civilian must also be mentioned as part of this repression against journalists.

President Rugova said that young Albanian men are still being sought for enlistment in the Serbian Army. Bejtullah Jakupi and Daut Lugaj from near Dragash,

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both deserters from the wars in Slovenia, Croatia, and Bosnia, were sent to prison in Nis. Vehbi Shaqiri from Skenderaj was also sent to prison, and large numbers of call-up papers for the Serbian Army are still being distributed to young Albanian men.

There is also violence against Albanian education, concentrated in the last few weeks, on Mitrovice, Vushtrri [Vucitrn], and other places. Kadrush Berisha, dean of the Metallurgical College in Mitrovice, and Ymer Bahiri, Zeqir Ademi, and Nasuf Shabani, primary and secondary school teachers from Vushtrri, have been sentenced to prison. There has also been police intervention of various kinds in the secondary schools of Mitrovice and Vushtrri.

Plunder and abuses also continued in Skenderaj. Goods have been confiscated in Prizren, where gold and silver were also seized from Albanian craftsmen.

We once again repeat our demands, Dr. Rugova said, that all prisoners, including the recently imprisoned former Kosova Policemen, should be released.

There Will Be No Uncontrolled Demonstrations in Kosova

We call on the international community to exert greater pressure on Serbia in order to put an end to the repression, and we seek international defense and greater international presence in Kosova, the president of Kosova said. We also call on the Serbs of Kosova not to provoke their neighbors, as has happened in some cases recently. We again appeal to the international community to make the lifting of sanctions against Serbia and Montenegro conditional on the issue of Kosova.

Following the recent demonstrations, the cause of Kosova has been continually before the attention of international institutions. A parliamentary committee for Kosova was formed in Norway recently, and we also welcome the views of Jans Reuter, the German specialist on the Balkans, who in an interview in ZERI called on the international community to impose Kosova's independence and the Albanians' right to self-determination.

Asked by a journalist to comment on views expressed abroad, especially in Germany, that Prime Minister Bukoshi's nonparticipation in the mass gatherings of the Albanians, especially in Bonn, was "scandalous," President Rugova said that everybody was able to take part in the demonstrations and it was a personal matter whether to take part or not.

It would have been good if Prime Minister Bukoshi had taken part in the demonstration in Bonn, but the most important thing is that the demonstration took place, and that others took part, including German members of parliament and members of the government. We must take these things more easily and not dramatize them. We have other activists at present in the West, but it is their business whether they take part in gatherings or not, Rugova said.

Another journalist asked for Rugova's opinions on the views of Mihailo Markovic in KOHA on Albanian-Serb dialogue and on a solution to the issue of Kosova. "I do not like to comment on things said in newspapers," Rugova said, "but I am sorry that Mihailo Markovic took a negative historical attitude to the Albanians, which did him no credit as a person, let alone as a man with his present post in a ruling party, or someone we might call a professor." "I respect the views of individuals," Dr. Rugova said, "but not insults to entire peoples."

A Serbian journalist asked Dr. Fehmi Agani, LDK deputy chairman, what he thought of the academic seminar held in Prishtina on population and demographic movements. Professor Agani said that he had no particular comment to make on this gathering, except that it was a campaign to blame the Albanians again for Serbia's demographic failures. Such gatherings of a single nationality, not to call them nationalist, can hardly produce results.

Another question to President Rugova was that, at a time of progress in Greek-Albanian relations, he had met here the charge d'affaires from the Greek Embassy in Belgrade. What did this meeting involve?

As you know, Dr. Rugova said, the charge d'affaires of the Greek Embassy in Belgrade was also in Prishtina one year ago. Greece has a good understanding of the issue of Kosova. This visit of the charge d'affaires here was another regular visit to Kosova in 1992. I, too, went for a visit to Greece and I appreciate Greece's commitment to the issue of Kosova. Greece has a fair standpoint, especially on stopping the violence and repression.

Commenting on Albanian-Macedonian dialogue in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], about which a journalist asked, President Rugova said that there had been talks of this kind in 1991 and 1992 within the framework of the Geneva Conference, with the mediation of Ambassador Ahrens, but few results were achieved then. Now, in the light of the most recent situation in Macedonia, we ask for the Macedonian Government and other institutions to show more understanding and flexibility toward the Albanians' political and cultural demands. I think that solutions will be gradually found and that issues will be settled in the course of time.

The last question from a journalist at President Rugova's news conference yesterday was whether there was any danger of some political upheaval in Kosova in the wake of the Albanians' mass demonstrations abroad.

Dr. Rugova said that our stand and that of the Albanian population in Kosova in general is that demonstrations are very dangerous in this situation of fraught political tensions in Kosova. As you know, the most recent demonstrations in Kosova were in 1992, over Albanian schools. However, there was large-scale police intervention at that time. We are therefore extremely careful in

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this area and in this context I do not believe that there will be any uncontrolled upheaval, because the majority of the population is aware that this violence and repression is again a sign of a desire to again provoke Kosova. The Albanians' caution is not weakness, as is claimed, because the Albanians of Kosova have demonstrated their strength in organizing their lives and preserving their own institutions, Dr. Ibrahim Rugova said in conclusion.

'Statutory Ruling' To Legitimize Serbian Rule

AU0504124895 Pristina KOSOVA DAILY REPORT in English No 586, 3 Apr 95

[FBIS Transcribed Text] Serbian Government is intent on finishing off "legal" cover-up for its illegal and unconstitutional rule in Kosova. Serbian deputy prime minister, Ratko Markovic, told Serbian-run Radio Prishtina broadcasting about his government plans to draft a "statutory ruling" on Kosova. Such a ruling is an obligation deriving from the Serbian Constitutional Law adopted as early as 1990, Mr. Markovic said. That law was adopted in the wake of the Serbian military and police crackdown on Kosova, namely the forcible and unconstitutional abrogation of constitutional status of Kosova in 1990. In July 1990, Serbian Parliament adopted laws on the "cessation of work" of the Kosova Parliament, Government, and all the executive and legislative powers of Kosova. All the authorities of the Kosova Parliament and Government were then taken over by the Serbian regime, a move which has been never been accepted by the majority Kosova population. Serbian rule here has been seen as nothing less than an occupying regime.

Serbian deputy prime minister, himself a law professor, told Radio Prishtina legislation adopted on behalf of "Kosovo and Metohija" would bar the rule of the majority Albanian population in Kosova, because they cannot be a "majority in qualitative respects." As far as these "qualitative respects," Albanians, or "Siptari" (a derogatory term for Albanians, used by Markovic in his radio show) are a minority! The "statutory ruling" will, as Ratko Markovic said, "facilitate the constitution of the (Kosova) provincial organs, and the provincial assembly will eventually adopt the statute of the Autonomous Province of Kosmet." The Serb law professor's musings about the "quantitative (numerical) majority" (alluding to the 90-percent Albanian population of Kosova) not constituting a "qualitative majority" sound as irrational and morbid statements as can be. For the Serbian argument runs: The Serbs are a "qualitative majority," even in places where they make up half a dozen percent of the population! The Kosova Albanians have pursued their path of no return from Serbia. Kosova has its democratically elected president, parliament, and government and wants to have nothing to do with Serbia's irrational dictates.

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